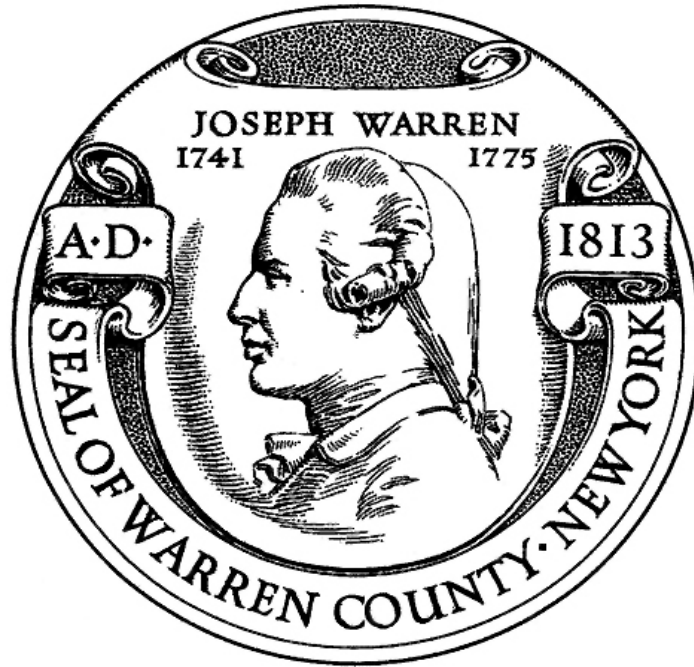


Warren County Sales Tax Distribution Formula: Current vs. 50/50 Proposal



How is Sales Tax Distributed?

- For sales tax revenue generated within the City of Glens Falls, the City keeps half and the County keeps half.
- For sales tax revenue generated outside the City limits, the County share is 50% and the rest is distributed to the towns and village according to their share of the aggregate equalized assessed valuation of property outside the City.
- In addition, Glens Falls receives a special distribution of 2% of the County share of tax revenue generated both inside and outside of the City.

How is Sales Tax Distributed?

The numbers (2017)....

- Within Glens Falls: **\$6,116,792.38** generated. City kept **\$3,058,396.19** & County kept **\$3,058,396.19**.
- Outside Glens Falls: **\$49,096,155.06** generated. County share was **\$24,548,077.53** and **\$24,548,077.53** was distributed to the towns and village.
- Special Glens Falls Distribution: Total County share was **\$24,548,077.53 + \$3,058,396.19 = \$27,606,473.72**. 2% of that total (**\$552,129.47**) was given to Glens Falls.
- Putting it all together...
 - County: **\$27,606,473.72 - \$552,129.47 = \$27,054,344.25**
 - Towns & Village: **\$24,548,077.53**
 - Glens Falls: **\$3,058,396.19 + \$552,129.47 = \$3,610,525.66**

Why is Sales Tax Distributed this Way?

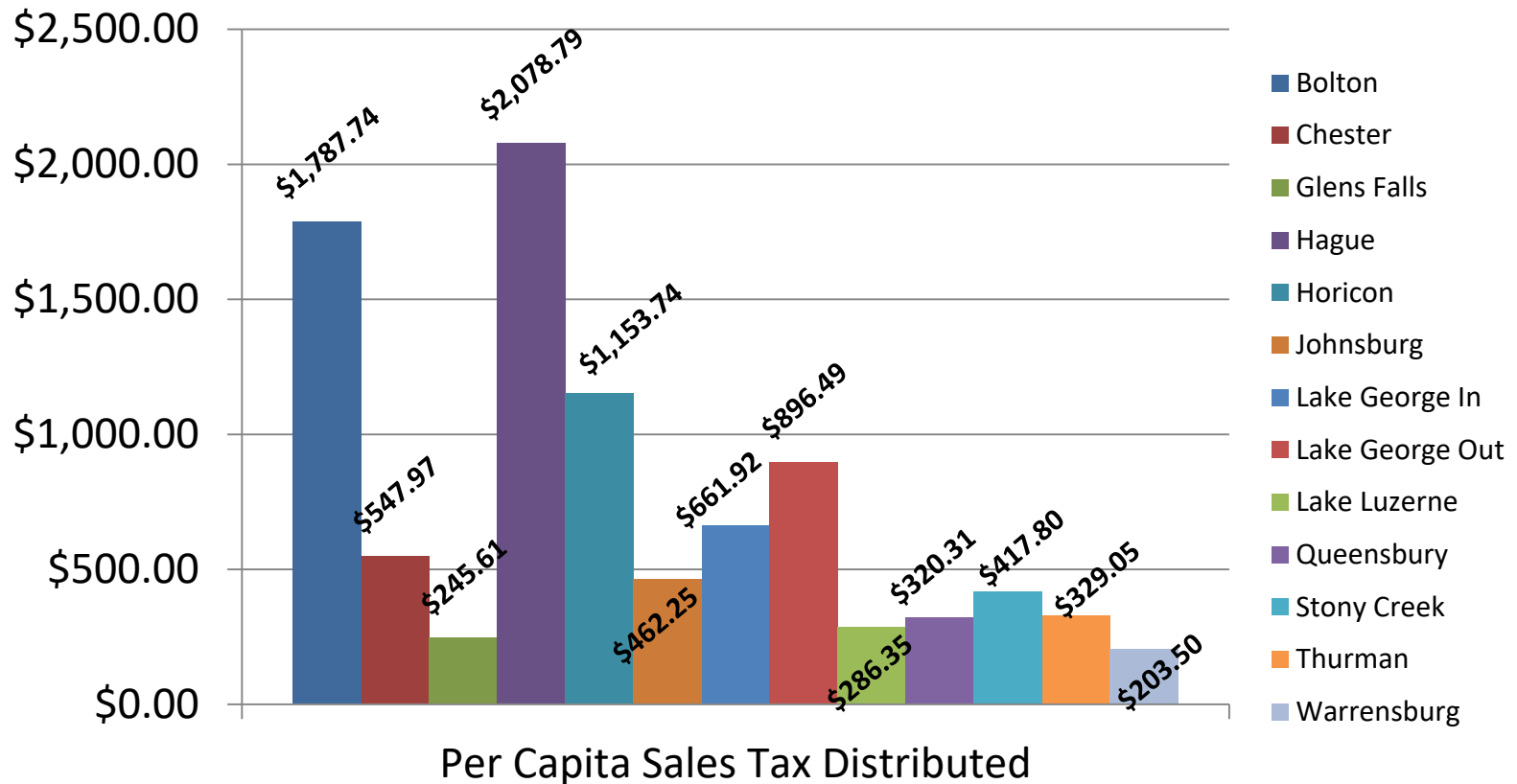
- Under State law, cities have the right to “pre-empt,” which means that a city can keep half of the sales tax revenue generated within its borders.
- The City of Glens Falls pre-empts.
- Pursuant to NYS Tax Law §1262(d)(1), when a city pre-empts, the County is legally compelled to distribute 50% of the sales tax revenue generated outside the City limits to the remaining municipalities according to their share of the aggregate equalized assessed valuation of property outside the City.
- In other words, State law mandates Warren County’s current sales tax distribution formula, and a change in state law would be necessary to change this formula.
- 10 of the 57 non-NYC counties have cities that pre-empt in this fashion. 8 of them distribute 50% of their non-city revenues according to the same valuation-based formula used here. The other two use a population formula, but the county keeps well over 50% of the non-city revenues.

Past Analysis

- Several years ago, Warren County had a Sales Tax Allocation Committee that worked with the NYS Taxation & Finance department, the County Treasurer and the County Attorney to identify alternative distributions.
- The committee was chaired by former Supervisor Bud Taylor and members included Supervisors Dickinson, Merlino, Strough, and former Supervisor Evelyn Wood.
- The committee met on January 21, 2015 and discussed three options. There was a unanimous decision not to pursue any of the options. The options were:
 - Distribute a portion of the County share. This was rejected because the committee believed it would have the net effect of a county property tax increase.
 - Convince Glens Falls to no longer pre-empt, then negotiate a new distribution formula with all municipalities. The committee believed Glens Falls would need a strong financial incentive, because giving up pre-emption is risky.
 - The County could seek special legislation to change the distribution formula outside of Glens Falls.

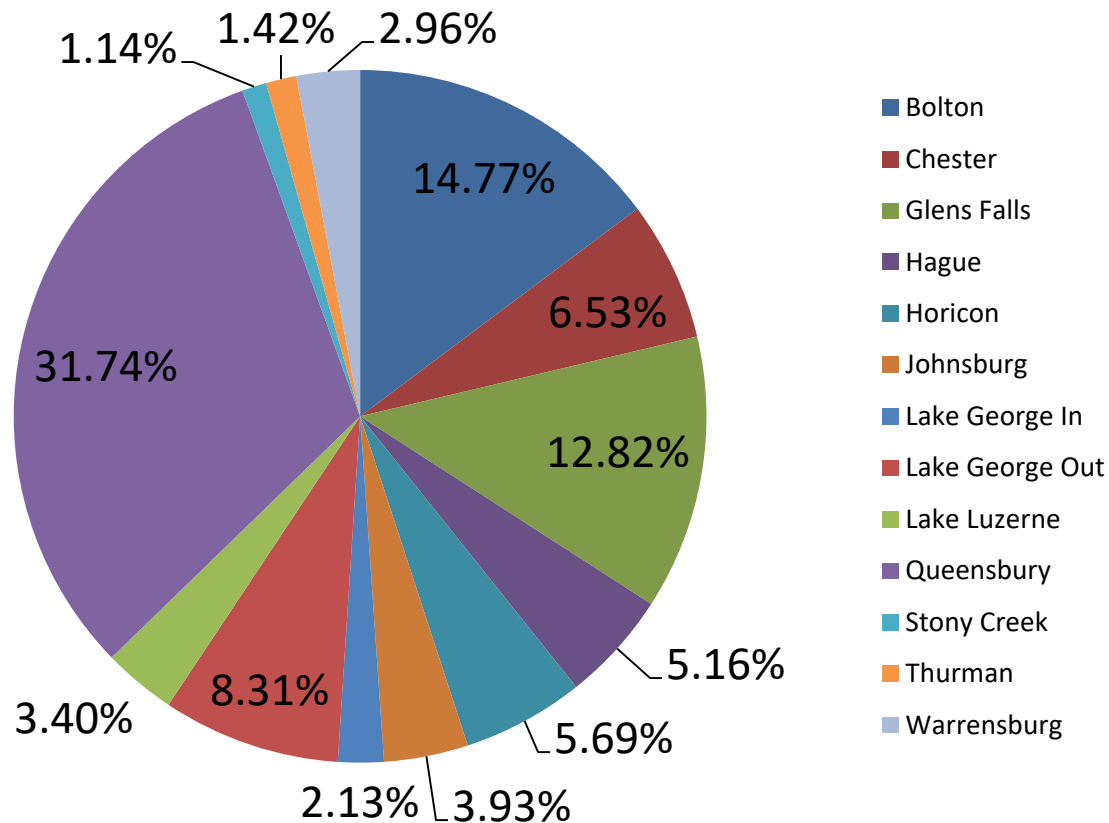
Why has this Formula been Characterized as Unfair?

- The reason most prominently cited is that, on a per capita basis, towns get back varying amounts of sales tax revenue.



Why has this Formula been Characterized as Unfair?

- Municipalities that receive lower sales tax distributions also do not have as much revenue to use in balancing the municipal budget. Below are the percentages of distributed sales tax that each municipality received in 2017.



Why has this Formula been Characterized as Unfair?

- It has also been noted that, over time, changing valuations have resulted in some towns (those with increasing property values) picking up larger percentages of sales tax revenue at the expense of other towns (those with decreasing or steady property values).
- I will switch briefly to a different presentation that argues this point.

Conclusions

- Looking only at the revenue received by the municipalities from the county, there are apparent disparities.
- A high value town with a small population (i.e. Bolton) gets 15% of the revenue despite having 3.5% of the people...so their per capita revenue is high.
- A high value town with a large population (i.e. Queensbury) gets 32% of the revenue, but their per capita revenue is on the lower end because they have 42% of the population.
- A town with lower values and a large population (i.e. Warrensburg) gets 3% of the revenue despite having 6% of the population...so their per capita revenue is very low.
- Towns that get lower sales tax distributions have less revenue to apply against their town budgets for the purpose of reducing the town property tax levy.

Expense Liability to County Also Matters

- In addition to sales tax revenue received by municipalities from the county and how it affects the municipal levy, analysis of what makes a sales tax distribution formula fair or unfair must also take into account the expense liability that taxpayers in each municipality have for services provided at the county level. In other words, the county tax levy.
- There is a historical reason for this: Medicaid, which is the most expensive single program provided at the county level.

1965

- In 1965, the federal government created Medicaid. The program was to be financed 50% by Washington and 50% by states.
- New York immediately decided to split its share of Medicaid with the counties. To this day, compared with other states, the county share of Medicaid is the highest in New York by far.
- New York did not want to place the burden of paying for Medicaid on local property tax payers and state income tax payers.
- So in 1965, as a way to create a new shared state/local revenue source to pay for Medicaid (a new shared state/local obligation), New York enacted the state sales tax and also authorized counties to enact local sales taxes.
- The local sales tax, in other words, was designed to be a county revenue paying for a county service.

1965

- The impact of Medicaid in those initial years was enormous on counties. Warren County Board meeting minutes from the time mention that Senator Bobby Kennedy was attempting to pass legislation shifting costs away from areas like upstate New York to urban areas that had greater means to pay the bill.
- The impact of Medicaid was also hard to predict. In 1967, actual Medicaid expenditures far exceeded appropriations and this Board of Supervisors had to borrow in order to pay the bill. The debt service associated with these notes was included in the 1968 budget, and this was the backdrop against which Warren County adopted a 3% sales tax in late 1967.
- The business community of Warren County testified at Board meetings strongly in favor of a sales tax, because in their estimation the alternative (a county property tax increase to pay for Medicaid) would be devastating.
- So Warren County adopted the 3% local sales tax and kept 100% of the revenue until Glens Falls' preemption forced the adoption of the current distribution formula (1971).
- Currently, 12 out of the 57 non-NYC counties still keep 100% of the local sales tax to pay for county services.

NYS County Law

- Today, Medicaid is still the most expensive program in the county budget.
- Article 7 of NYS County Law governs the county budget process. It establishes that the county property tax levy is the final element calculated in the budget process. It is the revenue of last resort.
- By this law, counties must adopt balanced budgets. After all appropriations are set forth, and all revenues are set forth (including sales tax revenue and appropriated fund balance), the gap between total revenues and total expenses becomes the county property tax levy.
- County sales tax revenue is therefore a major determinant of the property tax levy. When county sales tax revenue decreases, the deficit between appropriations and revenues increases, and the property tax levy necessary to balance the budget must increase.
- The distribution of county sales tax revenue to municipalities means that the county loses revenue that would otherwise pay for county programs including Medicaid. The county must replace this revenue, dollar for dollar, with county property tax revenue.

NYS Tax Law

- NYS Tax Law §1262(d)(1), which dictates our current sales tax distribution, also establishes that the sales tax distribution to municipalities, by default, is to be used to reduce the county property tax levied upon those municipalities:
 - *“The amount allocated to each town shall be applied first to reduce county taxes levied upon real property in such town and any balance remaining shall be applied to reduce general town taxes levied upon real estate.”*
- Why is the law written this way? Because the local sales tax was created to fund a county program. When this revenue is pulled out of a county budget (because a city pre-empts), the county must replace it by levying property taxes. Applying the sales tax distribution to reduce these county property taxes is a way to protect property taxpayers from paying for county programs like Medicaid that were not intended to fall to them.
- It must be noted that in the spirit of home rule, this law gives municipalities the authority to take sales tax revenue into their municipal budgets instead, for the purpose of offsetting municipal property taxes. All municipalities in Warren County currently do this. Queensbury, for example, began doing this in 1978. In doing so, the municipality is choosing to reduce its municipal levy by ‘x’ dollars in exchange for its residents paying an equivalent ‘x’ dollars more in county property taxes.

For Example

- If a town owes \$900k in county property taxes, receives a sales tax distribution of \$300k, and requires \$500k in town property taxes to balance the town budget, the default position under NYS Tax Law is to apply the \$300k to reduce the \$900k. The town will end up with a reduced county tax liability of \$600k, plus a town tax liability of \$500k, for a total of \$1.1m in property taxes.
- If this town chooses instead to take the **full** sales tax distribution into the town budget (as most of our towns do), the town will end up with a county tax liability of \$900k, plus a reduced town tax liability of \$200k, for a total of \$1.1m in property taxes.
- If this town chooses to take the **majority** of the sales tax distribution into the town budget (as three of our towns do), for example \$250k of the \$300k, the town will end up with a reduced county tax liability of \$850k, plus a reduced town tax liability of \$250k, for a total of \$1.1m in property taxes.

Conclusions

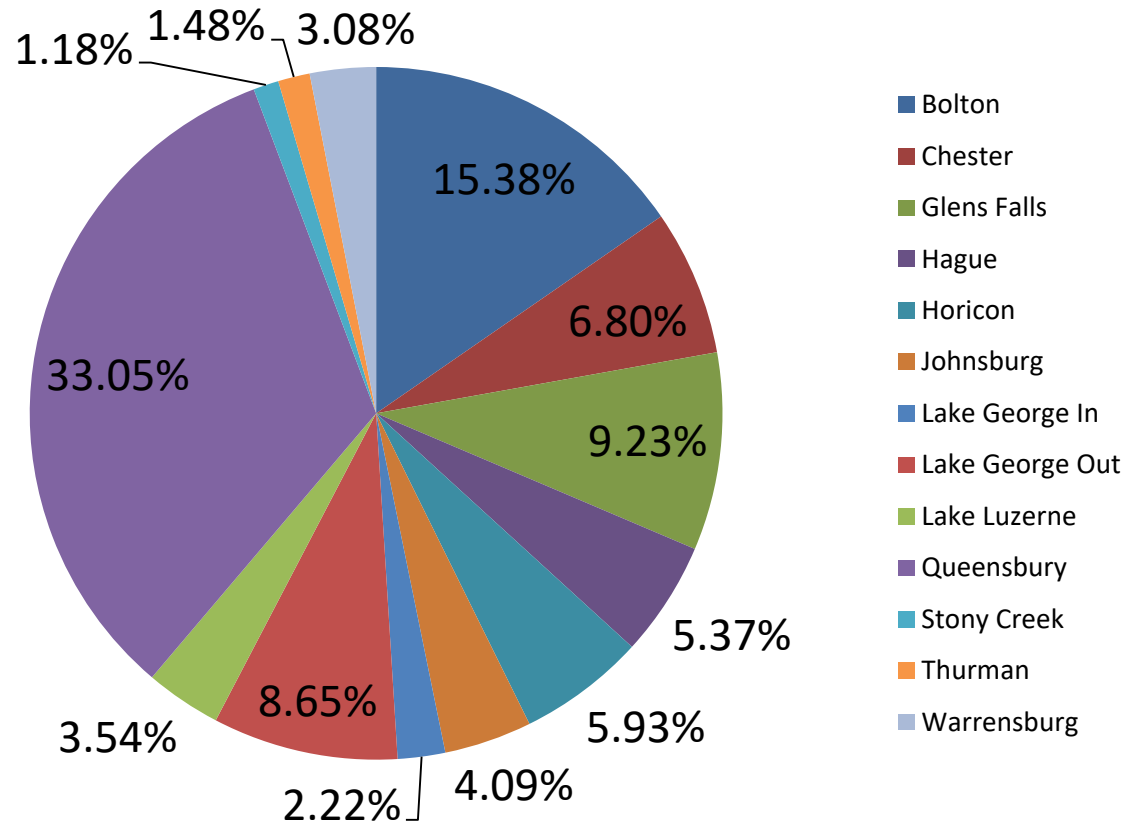
- No matter how the town in the previous slide chose to apply its sales tax distribution, the residents of the town always ended up with the same overall tax liability: \$1.1 million.
- When the town chose to use sales tax revenue to reduce town taxes, the county tax levy on that town's residents increased by the exact same amount.
- The conclusion: looking at just sales tax revenue and municipal tax levy is not looking at the full picture. The full picture also includes county tax levy.

Who Paid the 2017 Property Tax Levy?

- State law requires the apportionment of the county property tax levy to each municipality according to the municipality's share of the aggregate equalized assessed valuation of property in the County.
- The \$42,423,886 levied to pay for county programs in 2017 was paid by property owners of each municipality based not on their utilization of these programs, but on their municipality's property valuation.
- For instance, road paving projects are not charged out to the towns in which the work is done. Safety Net (welfare) payments are not charged back to the towns where the recipients live (although they legally could be, and are, in some counties). These programs are instead paid for by property taxpayers in each municipality in proportion with their municipality's property values.

Who Paid the 2017 Property Tax Levy?

- \$42,423,886 worth of 2017 county programs were paid as follows by property owners in each municipality:

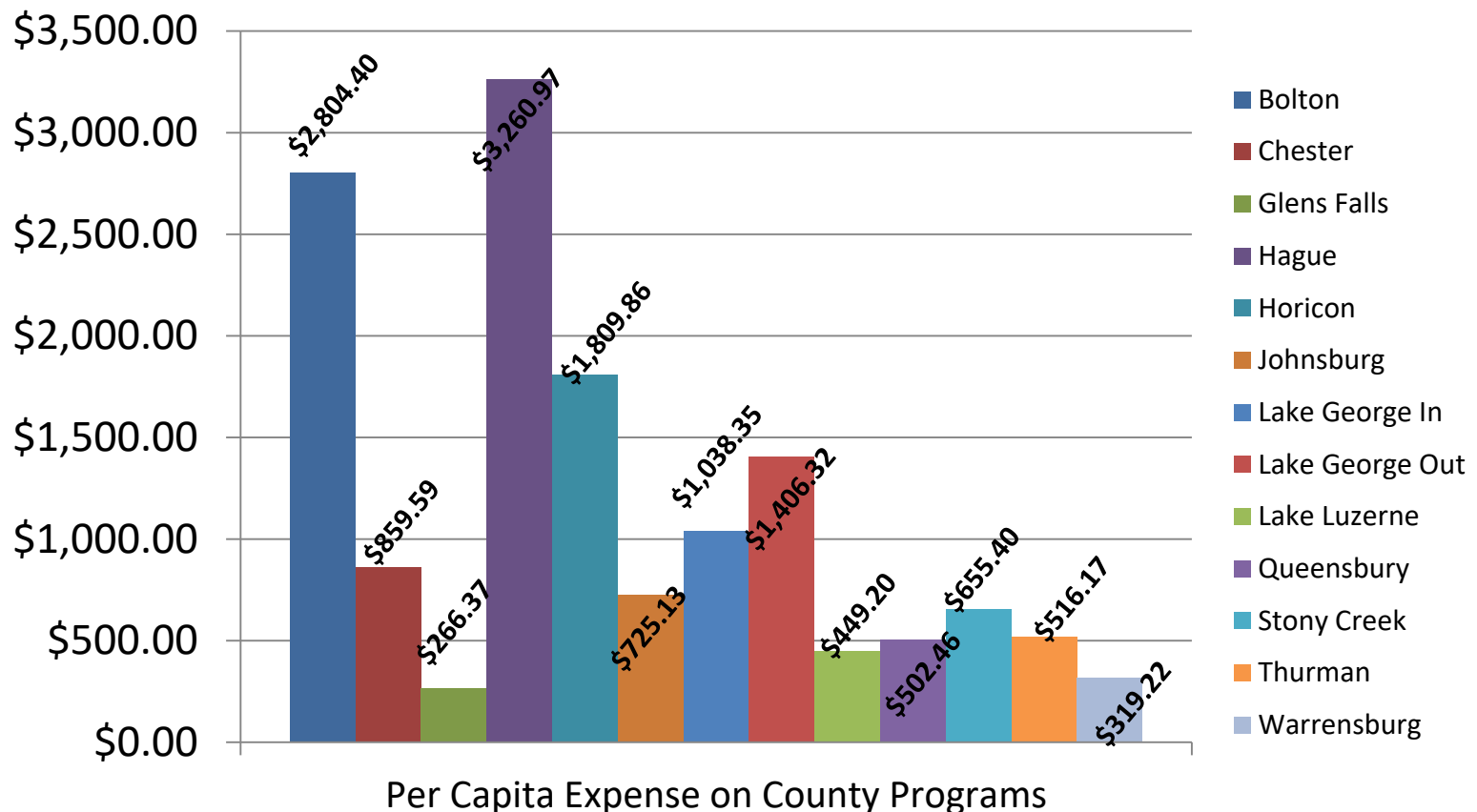


Who Paid the 2017 Property Tax Levy?

- The percentages in the previous slide are important because they apply to all county services funded by property taxes.
- It doesn't matter where a Social Services client lived...Queensbury taxpayers paid 33% of the bill, Bolton taxpayers paid 15% of the bill, and Glens Falls taxpayers paid 9% of the bill.
- It doesn't matter which towns got new blacktop on their county roads...Queensbury taxpayers paid 33% of the bill, Bolton taxpayers paid 15% of the bill, and Glens Falls taxpayers paid 9% of the bill.

How Much Did they Pay on a Per Capita Basis?

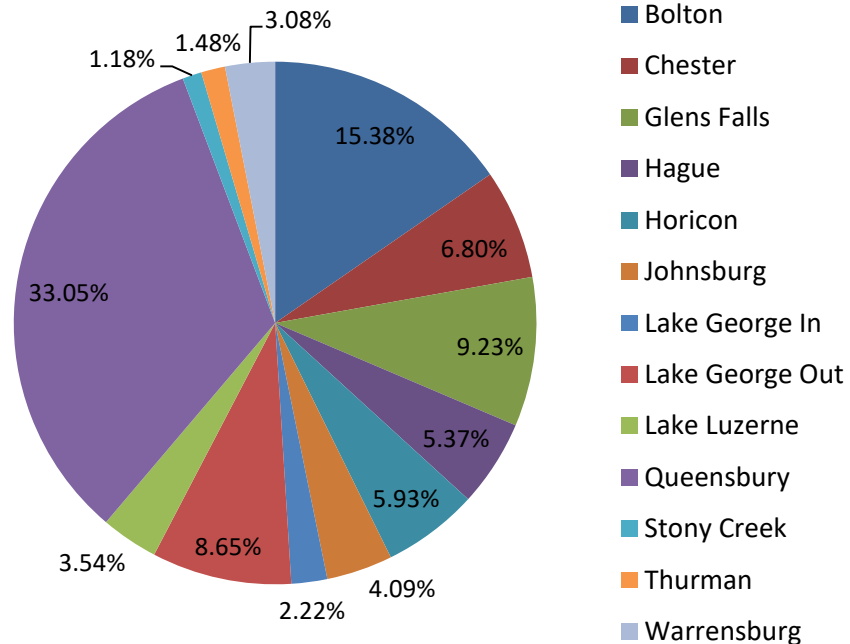
- Below is the per capita expense paid for 2017 county programs in each municipality.



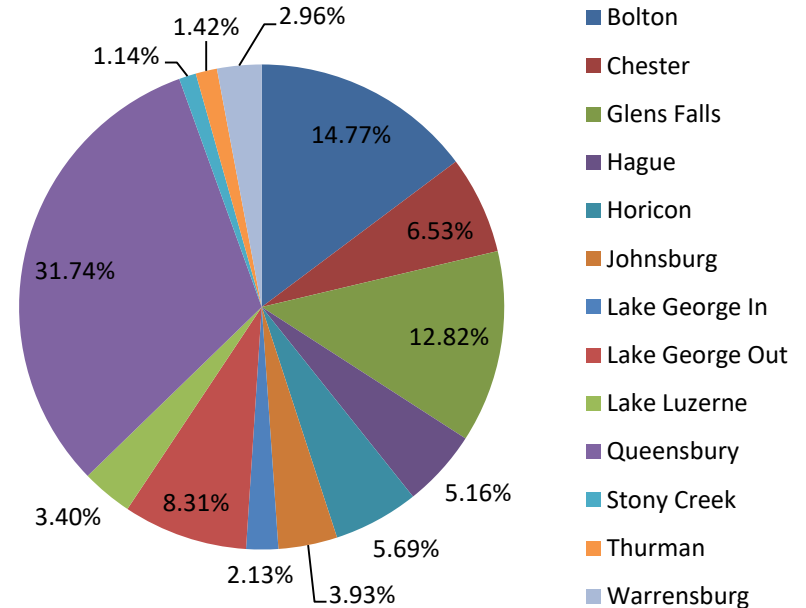
Paid to the County vs. Received from the County

- The share that property owners paid to support County programs is very close to the share of sales tax revenue that their municipality received back from the County.

Property Taxes Paid to the County



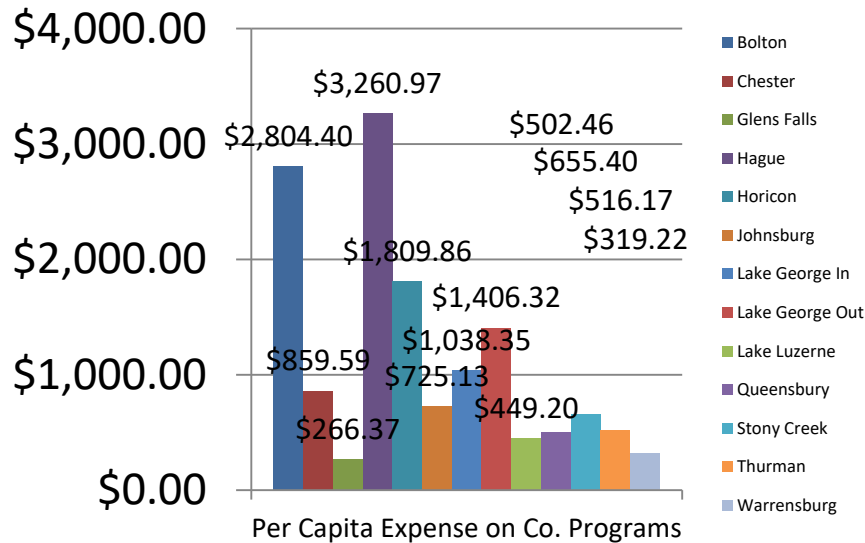
Sales Tax Revenue Received from the County



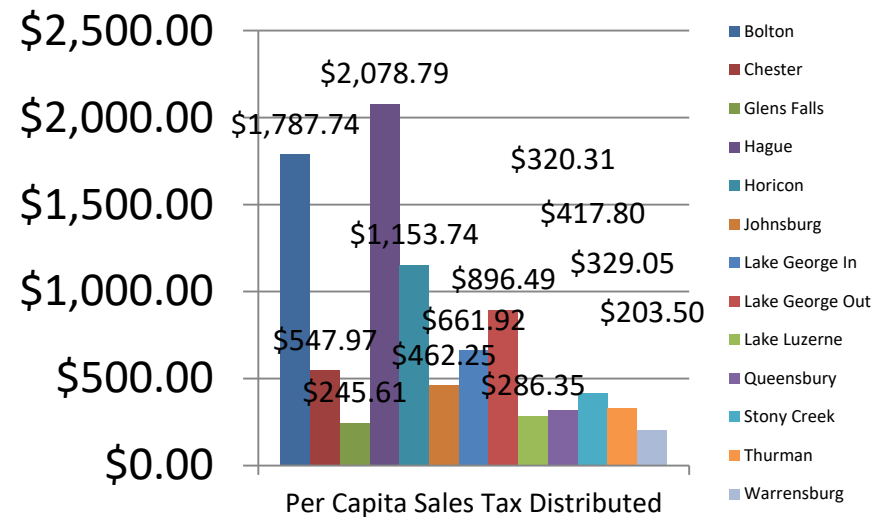
Paid to the County vs. Received from the County

- The per capita sales tax revenue received from the County in each municipality follows the same pattern as the per capita expense paid by each municipality for county programs. The towns that receive less sales tax revenue also have less expense liability for county programs. The towns that receive more sales tax revenue shoulder more of the costs of county government.

Per Capita Expense on County Programs



Per Capita Revenue Received from the County



Conclusions

- Property owners in every municipality are paying for County programs through the county property tax.
- Their municipalities, in turn, are receiving sales tax revenue from the County.
- Subtracting the sales tax revenue received from the county property tax exposure provides the net cost of County government for each municipality.

The Net Cost of County Government

In 2017...

Municipality	Property Tax Levied on Property Owners in each Municipality to Support County Programs	Minus Sales Tax Distributed from County to Each Municipality	Equals Net Cost of County Government to Each Municipality
Bolton	\$6,523,033.08	-\$4,158,277.34	\$2,364,755.74
Chester	\$2,883,916.38	-\$1,838,427.65	\$1,045,488.73
Glens Falls	\$3,915,650.01	-\$3,610,525.66	\$305,124.35
Hague	\$2,279,419.70	-\$1,453,075.31	\$826,344.39
Horicon	\$2,513,900.76	-\$1,602,551.60	\$911,349.16
Johnsburg	\$1,736,681.59	-\$1,107,092.77	\$629,588.82
Lake George In Out	\$940,745.01	-\$599,702.48	\$341,042.53
	\$3,669,081.96	-\$2,338,951.93	\$1,330,130.03
Lake Luzerne	\$1,503,464.76	-\$958,422.84	\$545,041.92
Queensbury	\$14,019,196.70	-\$8,936,901.93	\$5,082,294.77
Stony Creek	\$502,691.66	-\$320,453.75	\$182,237.91
Thurman	\$629,210.71	-\$401,106.86	\$228,103.85
Warrensburg	\$1,306,893.26	-\$833,113.07	\$473,780.19
	\$42,423,885.58	-\$28,158,603.19	\$14,265,282.39

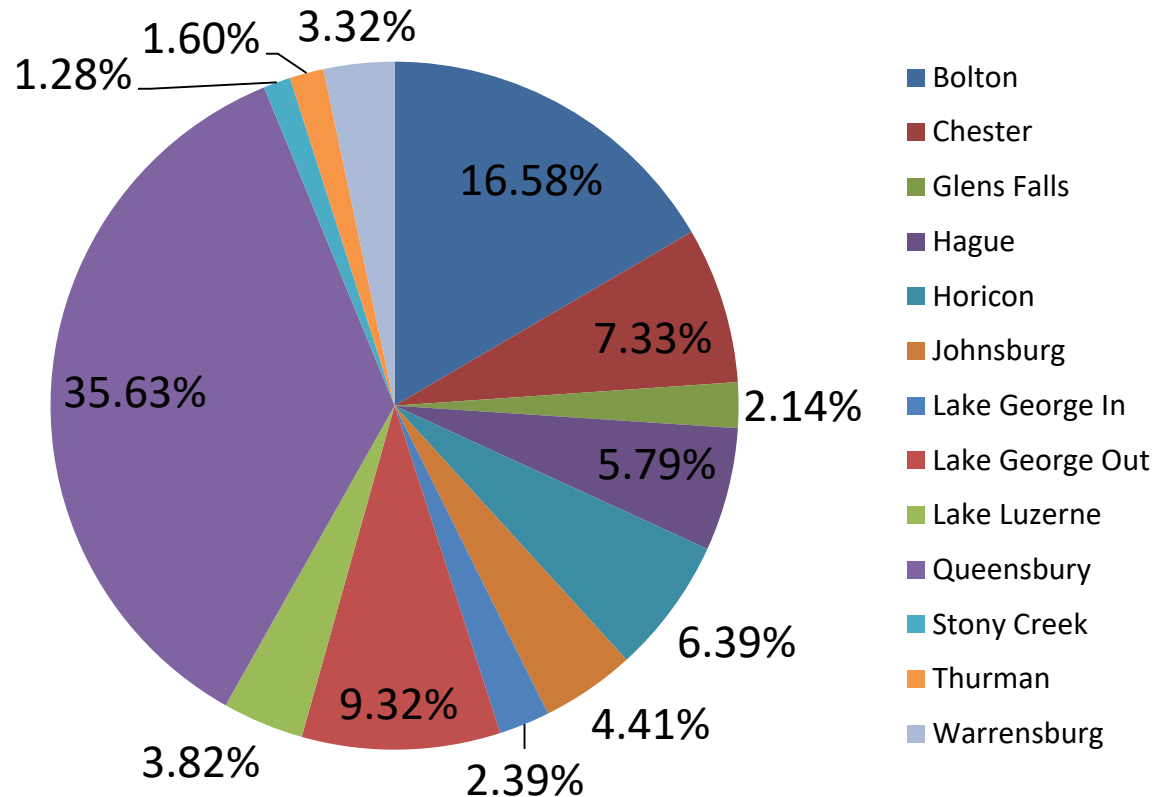
The Net Cost of County Government

In 2017...

Municipality	Property Tax Levied on Property Owners in each Municipality to Support County Programs	Minus Sales Tax Distributed from County to Each Municipality	Equals Net Cost of County Government to Each Municipality
Bolton	15.38%	14.77%	16.58%
Chester	6.80%	6.53%	7.33%
Glens Falls	9.23%	12.82%	2.14%
Hague	5.37%	5.16%	5.79%
Horicon	5.93%	5.69%	6.39%
Johnsburg	4.09%	3.93%	4.41%
Lake George In	2.22%	2.13%	2.39%
Out	8.65%	8.31%	9.32%
Lake Luzerne	3.54%	3.40%	3.82%
Queensbury	33.05%	31.74%	35.63%
Stony Creek	1.18%	1.14%	1.28%
Thurman	1.48%	1.42%	1.60%
Warrensburg	3.08%	2.96%	3.32%

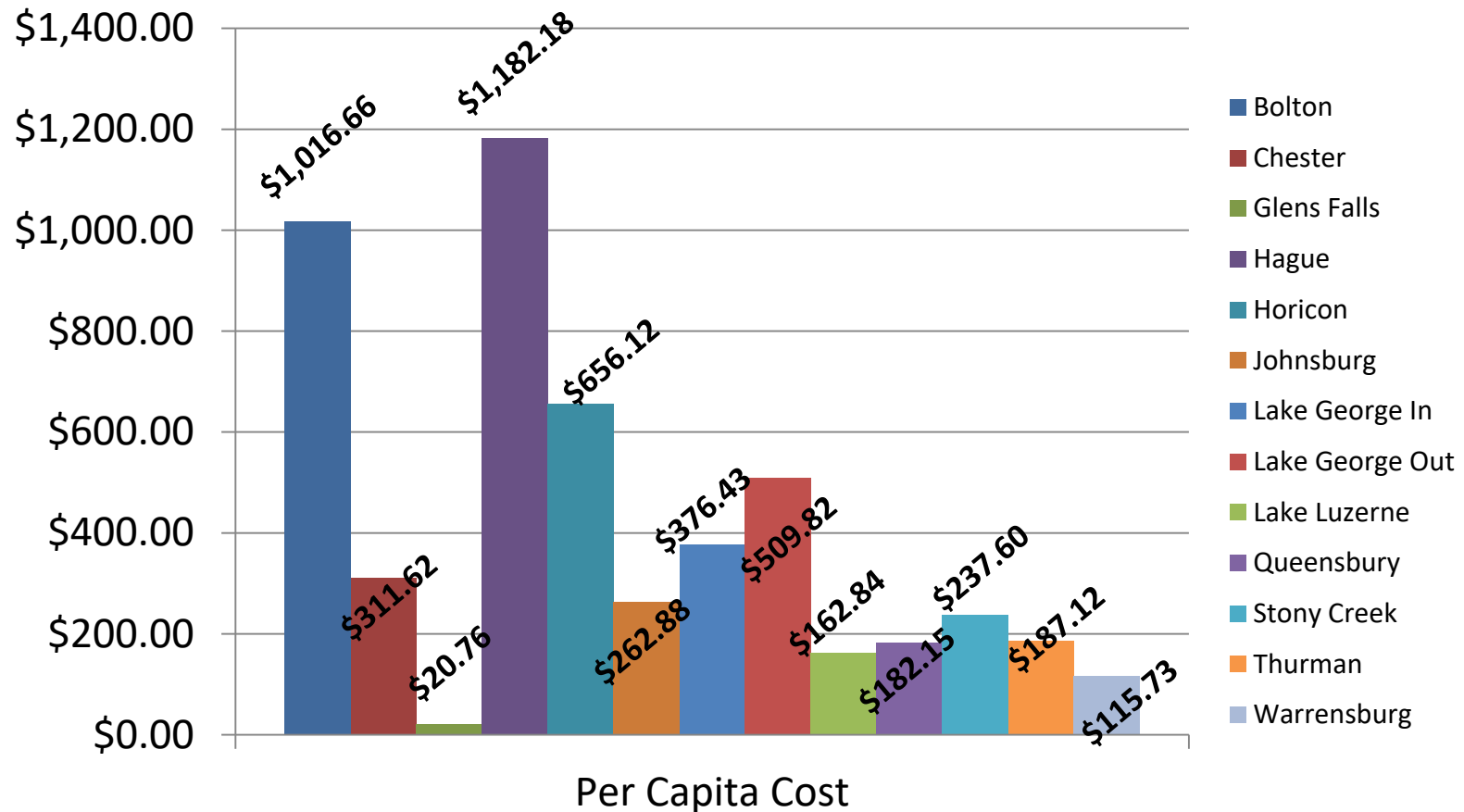
Net Cost of County Government

In 2017, each municipality's share was as follows:



Effective Cost of County Government

In 2017, on a per capita basis:



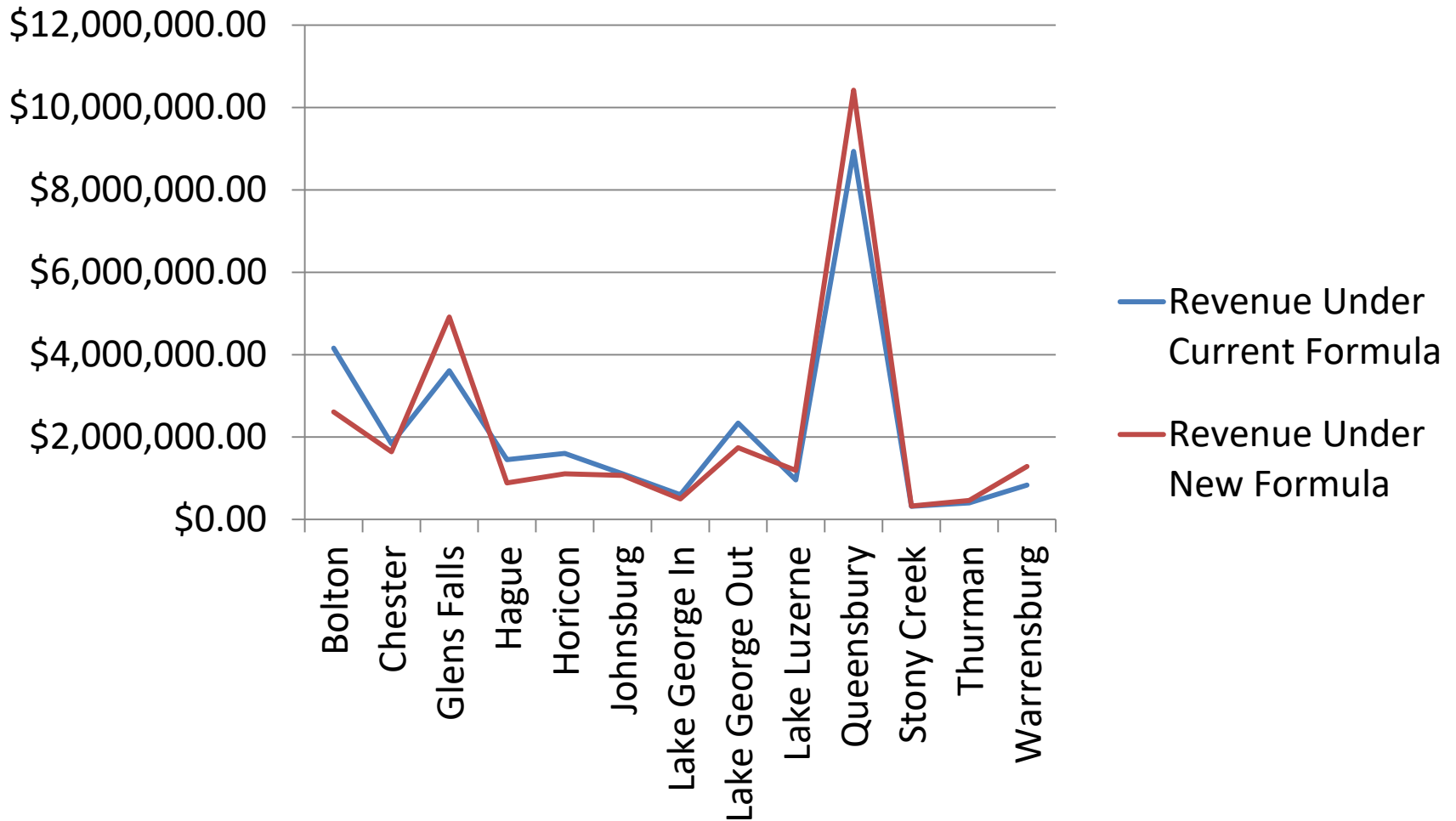
Conclusions

- Municipalities receive sales tax revenue from the county in nearly equivalent proportion to the expense liability their property owners shoulder for county programs.
- Every municipality pays more for county programs than they receive back in sales tax revenue. The City of Glens Falls comes the closest to breaking even, at a \$20.76 per capita net cost in 2017. By contrast, two lake towns had a more than \$1,000 per capita net cost in 2017.
- These disparities occur because both expense liability for county programs, and sales tax revenue distributed by the county (other than to Glens Falls), is based purely on valuation.
- The formulas are designed to ensure that high value municipalities, which have greater economic means, pay more for the services provided to all by the county government.

Changing the Sales Tax Distribution Formula

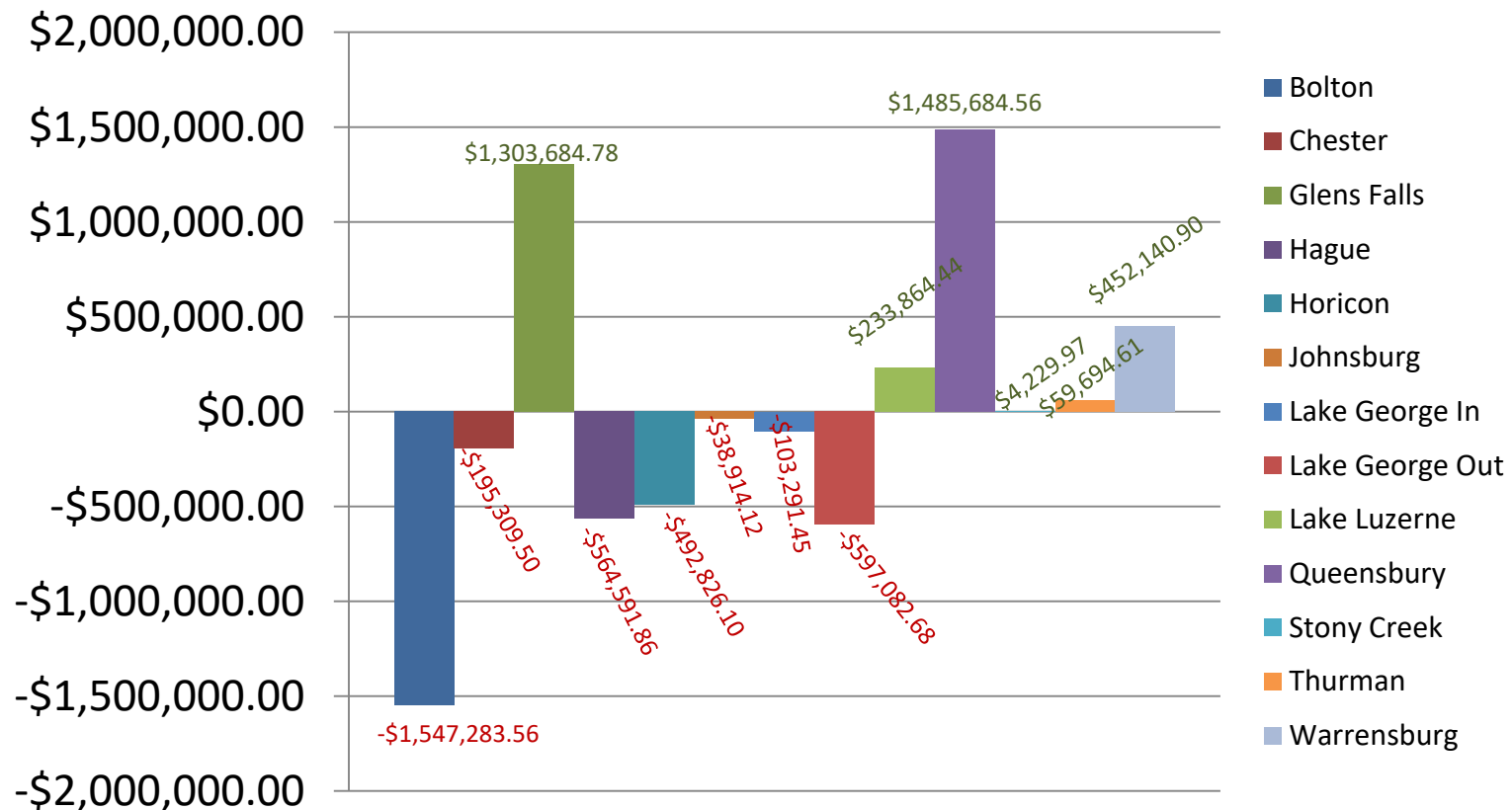
- The “50/50 Proposal” that has been circulated among County Supervisors includes the following assumptions:
 - Glens Falls no longer pre-empts, which would add sales tax revenue generated in the City to the pool of revenue that is distributed among the County and its municipalities.
 - The County would retain 50% of this pool less 2%, which Glens Falls would continue to receive as a special distribution.
 - The municipalities, including the City, would receive the other 50%.
 - Each municipality’s share would be calculated half based on the municipality’s share of the County’s population (as determined in the decennial census) and half based on the municipality’s share of the aggregate equalized assessed valuation of property in the County, including the City.

Changing the Sales Tax Distribution Formula



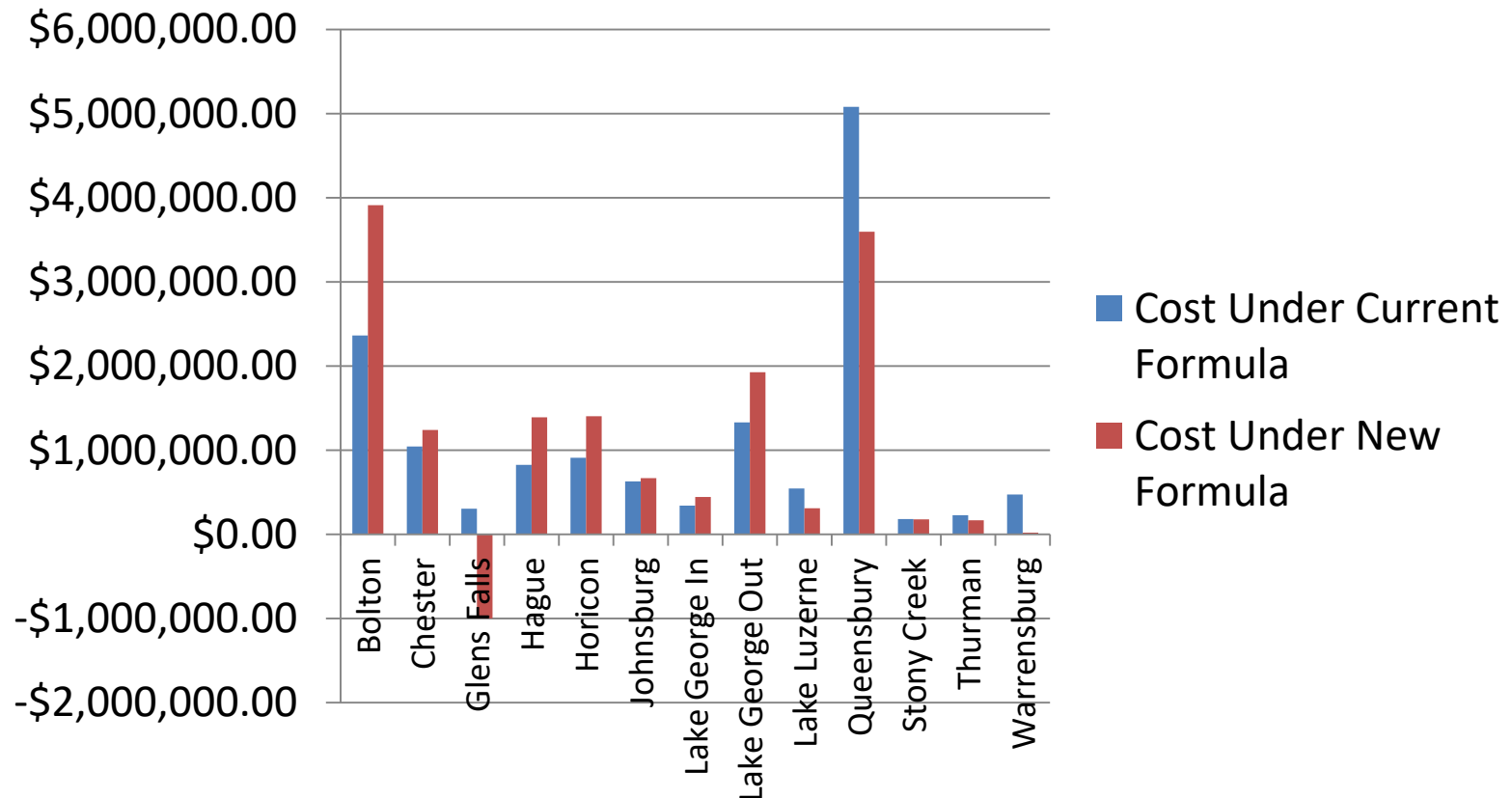
Changing the Sales Tax Distribution Formula

- Under the 50/50 Proposal, **each municipality's expense for county services (their county tax levy) would remain the same.** But revenue would shift out of seven municipalities and into six municipalities as follows:



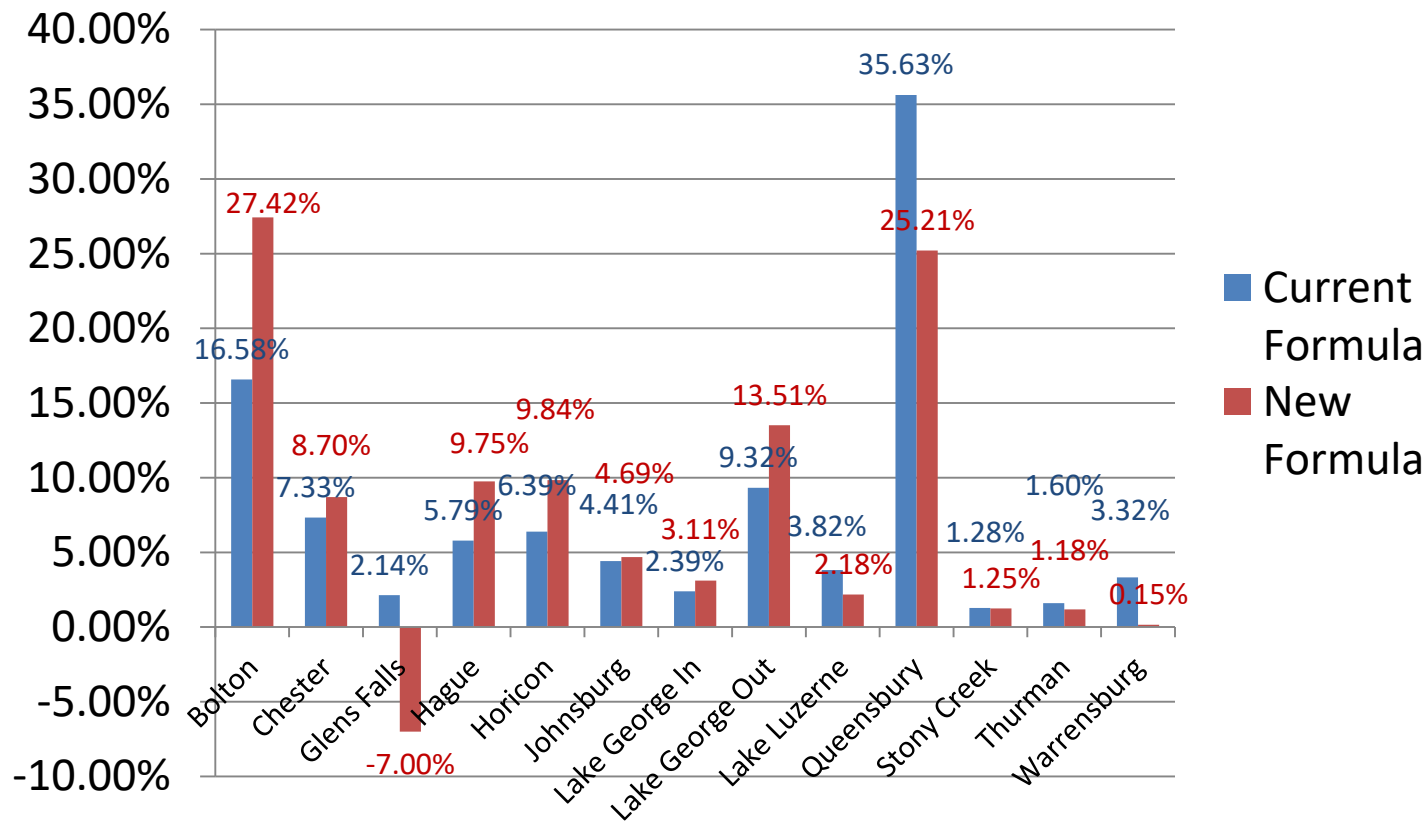
Changing the Sales Tax Distribution Formula

- Under the 50/50 Proposal, the net cost of County government in each municipality would increase or decrease as follows:



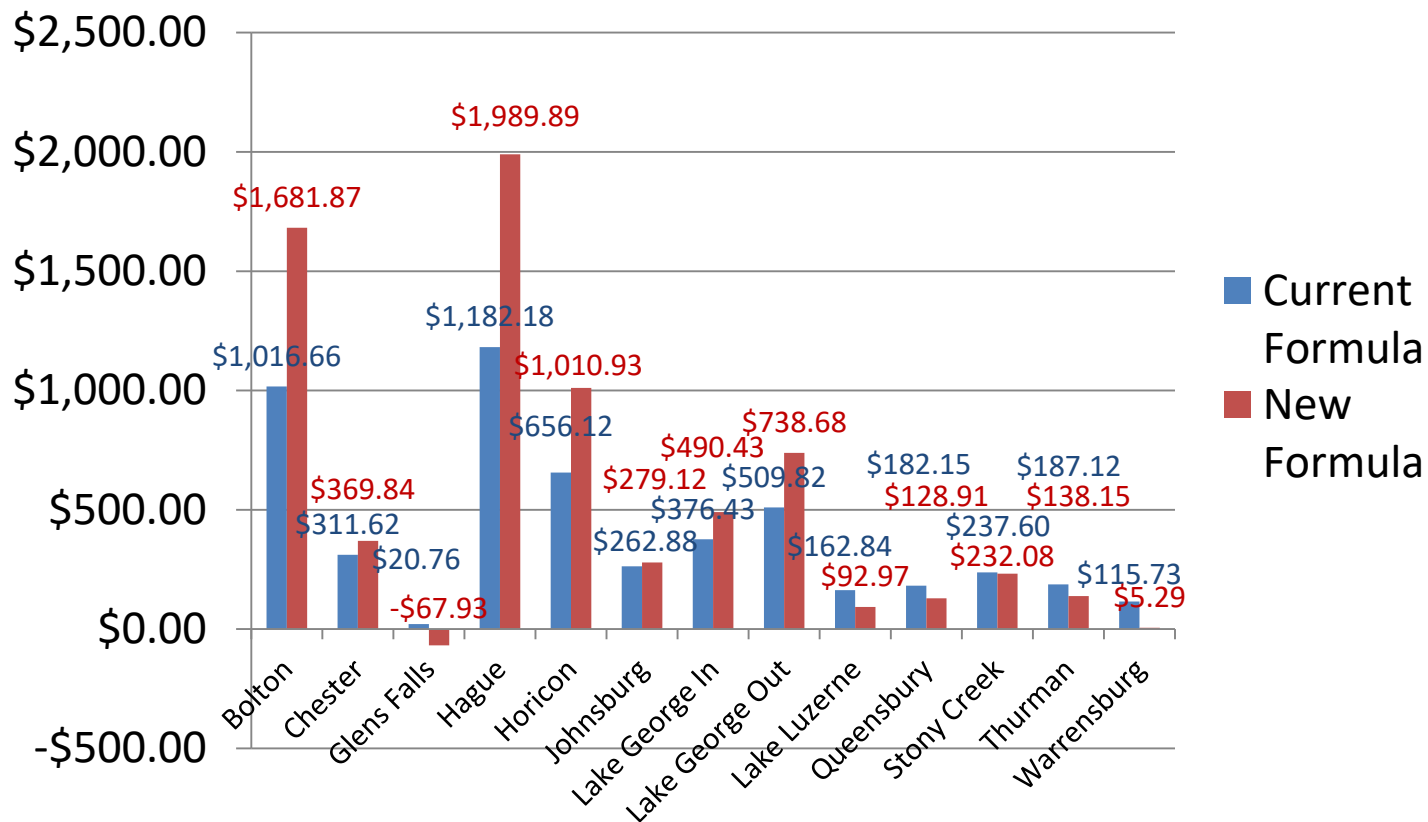
Changing the Sales Tax Distribution Formula

- Each Municipality's percentage share of the net cost of County Government would change as follows:



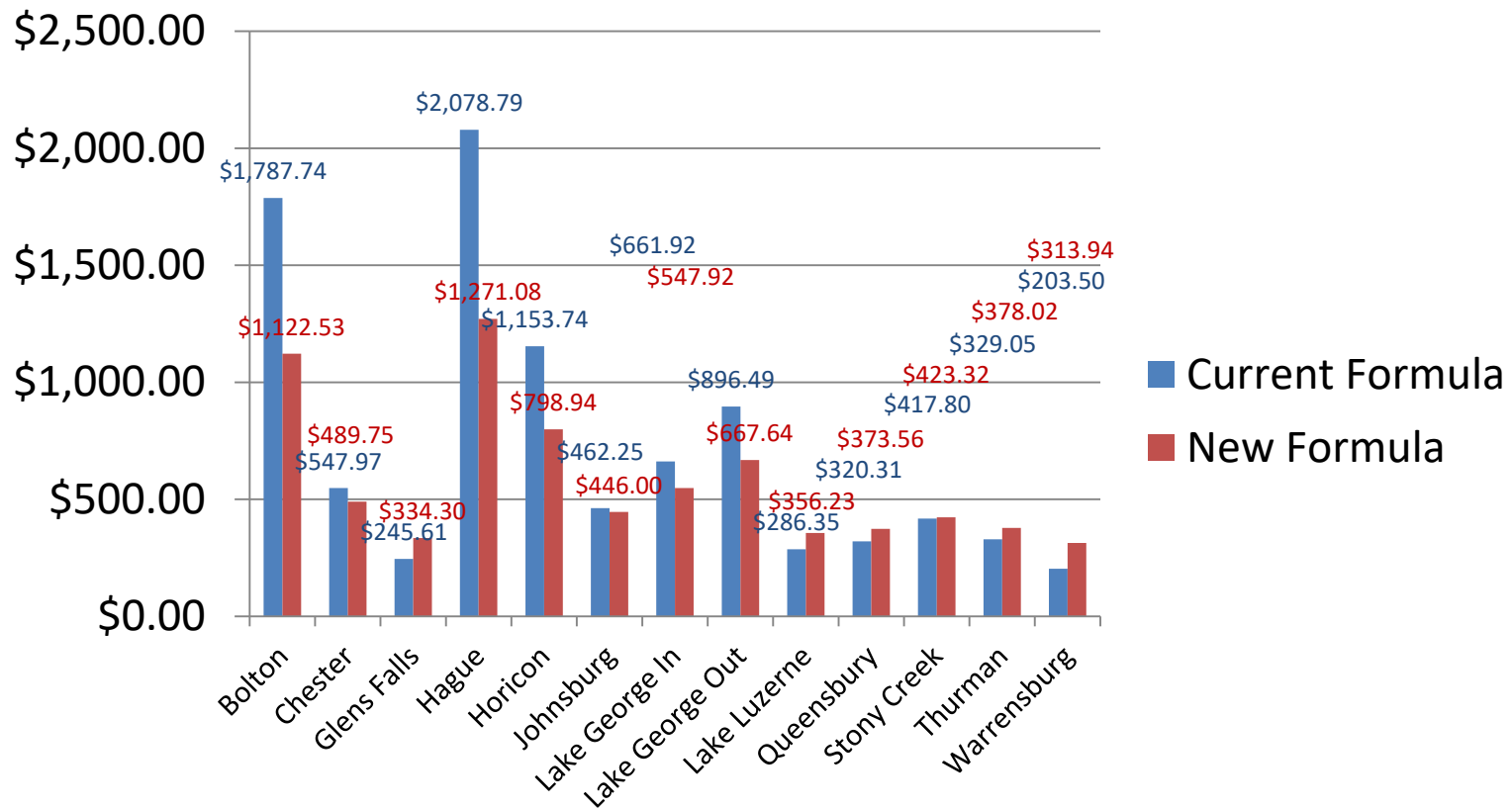
Changing the Sales Tax Distribution Formula

- The per capita net cost of County Government in each municipality would change as follows:



New Per Capita Sales Tax Distribution

- Under the 50/50 Proposal, towns would still get back varying amounts of sales tax revenue, but the gap would narrow:

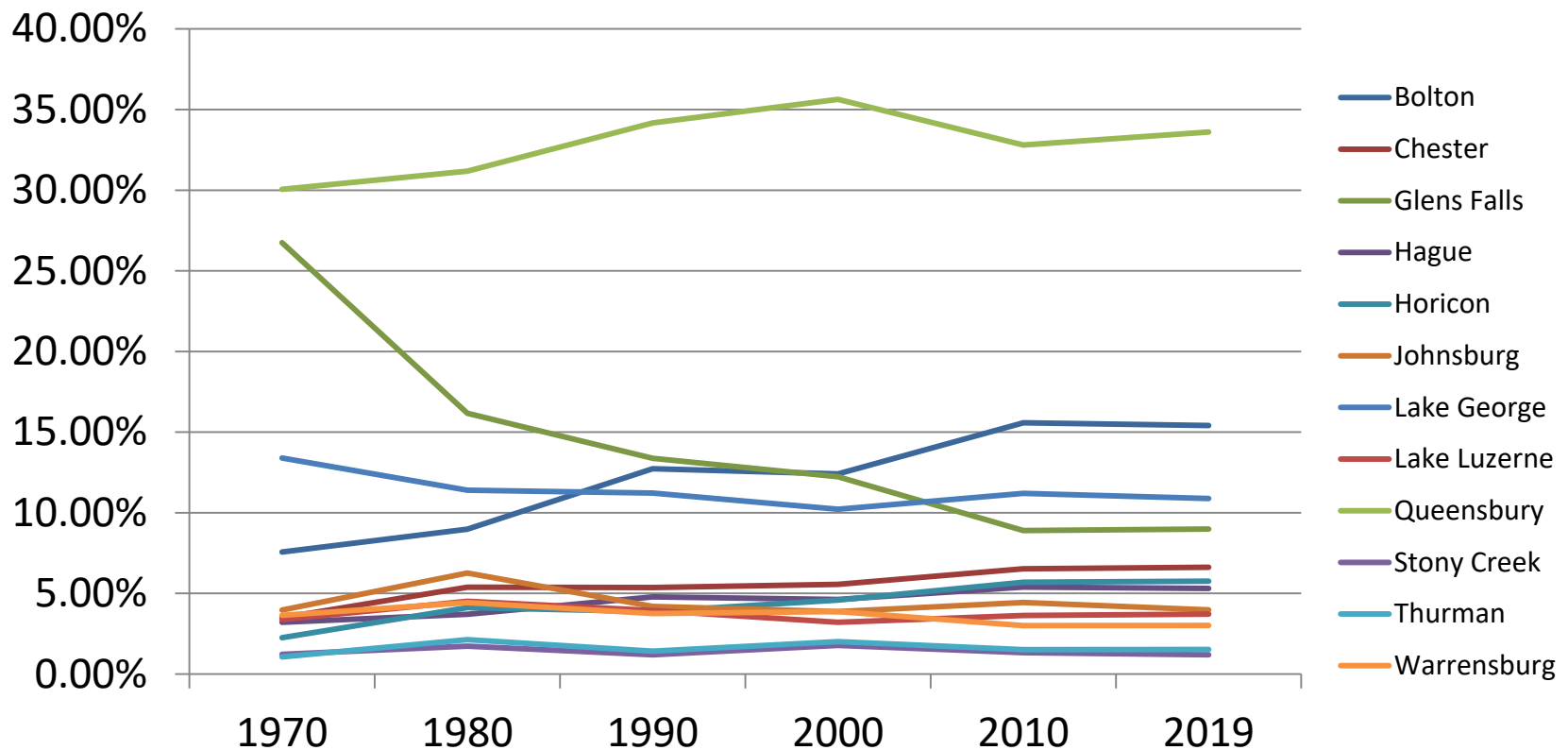


Preliminary Conclusions

- Currently, the liability that taxpayers in each municipality owe for county services is based only on that municipality's valuation. And the amount the municipality gets back from the county in sales tax revenue is also based on valuation.
- Under the 50/50 proposal, the liability that taxpayers in each municipality owe for county services is still based only on that municipality's valuation. But the amount the municipality gets back from the county in sales tax revenue will go up for some and down for others.
- Generally speaking, the high value towns with smaller populations are hurt. Their expense liability to the county doesn't change, but their revenue from the county decreases.
- Likewise, generally speaking, the higher population towns benefit. Their expense liability to the county doesn't change, but their revenue from the county increases.

Historical Perspective on Expense Liability for County Programs

- Due to changing property values, some municipalities over the years have picked up more financial responsibility for county programs while others have been relieved of these costs.

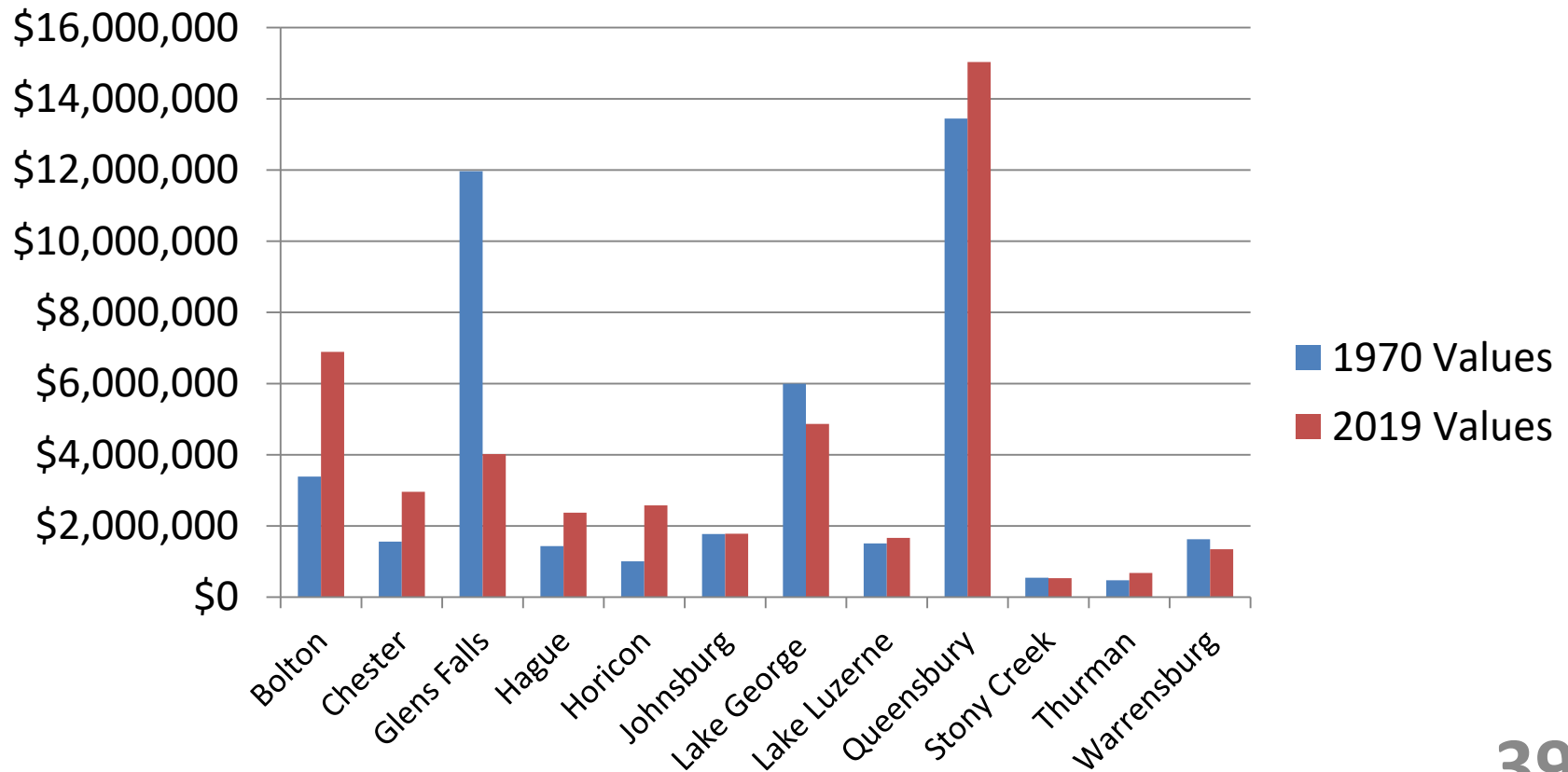


Historical Perspective on Expense Liability for County Programs

	Percentage of County Tax that Municipality Pays					
Municipality	1970	1980	1990	2000	2010	2019
Bolton	7.57%	8.98%	12.73%	12.41%	15.58%	15.41%
Chester	3.49%	5.38%	5.36%	5.56%	6.53%	6.62%
Glens Falls	26.75%	16.17%	13.38%	12.23%	8.90%	8.99%
Hague	3.21%	3.71%	4.78%	4.62%	5.39%	5.31%
Horicon	2.25%	4.12%	3.87%	4.59%	5.69%	5.76%
Johnsburg	3.97%	6.26%	4.19%	3.87%	4.44%	3.98%
Lake George	13.40%	11.40%	11.22%	10.22%	11.20%	10.88%
Lake Luzerne	3.38%	4.51%	3.94%	3.21%	3.63%	3.72%
Queensbury	30.06%	31.18%	34.17%	35.63%	32.80%	33.61%
Stony Creek	1.22%	1.73%	1.19%	1.78%	1.33%	1.19%
Thurman	1.06%	2.13%	1.42%	2.01%	1.51%	1.52%
Warrensburg	3.64%	4.43%	3.75%	3.87%	3.00%	3.01%
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Historical Perspective on Expense Liability for County Programs

The chart below compares what each municipality's 2019 county tax levy is now, to what it would have been if valuations hadn't changed since 1970. This illustrates the benefit some have experienced as a result of the valuation basis that is used in computing expense liability for county programs.



What About the Municipal Property Tax Burden?

- The preceding analysis has depicted the net cost of county government by treating sales tax revenue as an offset to each municipality's expense liability for county programs.
- As previously stated, NYS Tax Law allows municipalities to take sales tax revenue into their budgets for the purpose of lowering their municipal property tax burden, which all municipalities in Warren County do.
- Therefore, this analysis is not complete until we also consider municipal taxes.

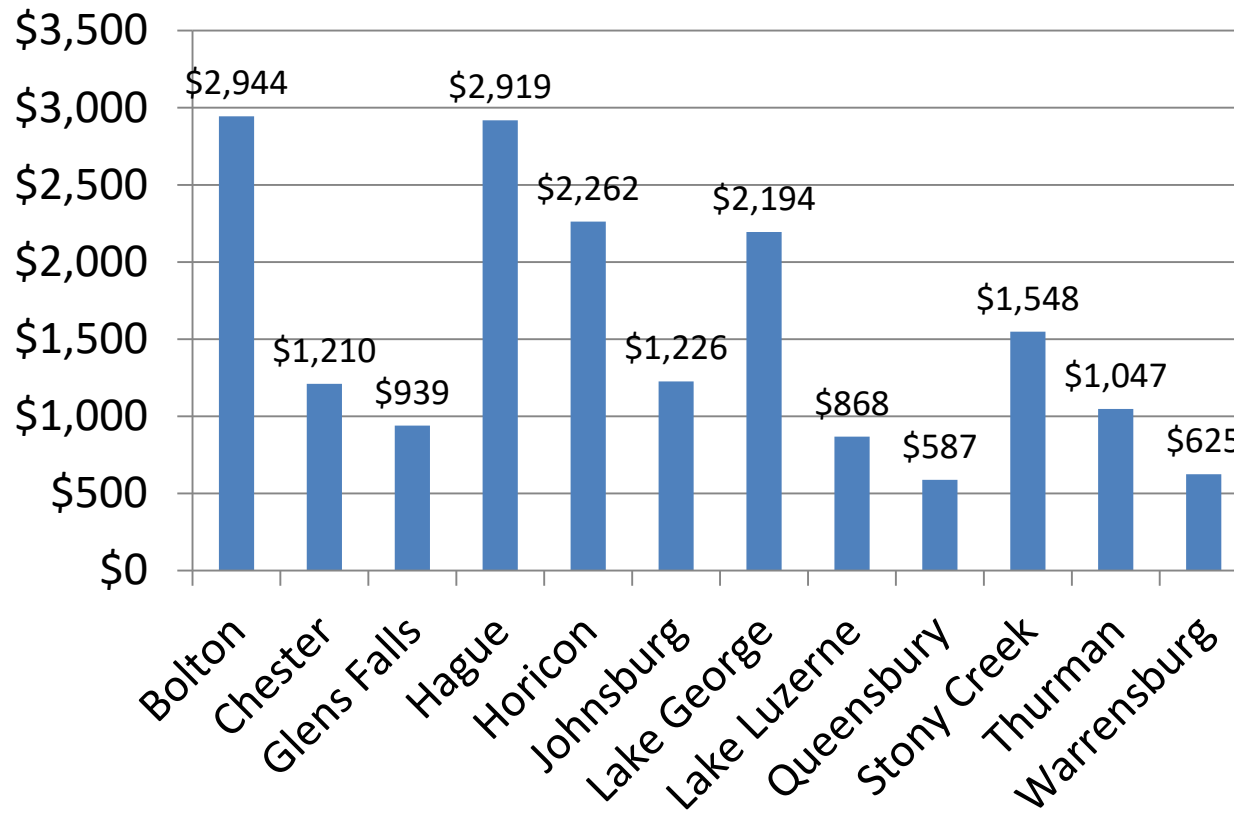
What About the Municipal Property Tax Burden?

- All of the levies below account for the sales tax distribution revenue that was used in 2018 to reduce municipal and/or county levies.

Municipality	2018 Municipal Levy	2018 County Levy	Total Tax Burden
Bolton	\$ 809,737.72	\$ 6,038,748.29	\$ 6,848,486.01
Chester	\$ 1,118,118.77	\$ 2,940,855.93	\$ 4,058,974.70
Glens Falls	\$ 9,804,457.26	\$ 4,000,449.15	\$ 13,804,906.41
Hague	\$ -	\$ 2,040,373.07	\$ 2,040,373.07
Horicon	\$ 577,910.61	\$ 2,563,629.63	\$ 3,141,540.24
Johnsburg	\$ 1,172,456.79	\$ 1,764,216.81	\$ 2,936,673.60
Lake George (T & V)	\$ 3,070,069.50	\$ 4,643,304.31	\$ 7,713,373.81
Lake Luzerne	\$ 1,259,257.90	\$ 1,644,869.06	\$ 2,904,126.96
Queensbury	\$ 1,953,435.21	\$ 14,434,415.37	\$ 16,387,850.58
Stony Creek	\$ 645,796.61	\$ 541,706.79	\$ 1,187,503.40
Thurman	\$ 595,126.84	\$ 681,560.61	\$ 1,276,687.45
Warrensburg	\$ 1,222,939.07	\$ 1,334,117.99	\$ 2,557,057.06
	\$ 22,229,306.28	\$ 42,628,247.01	\$ 64,857,553.29

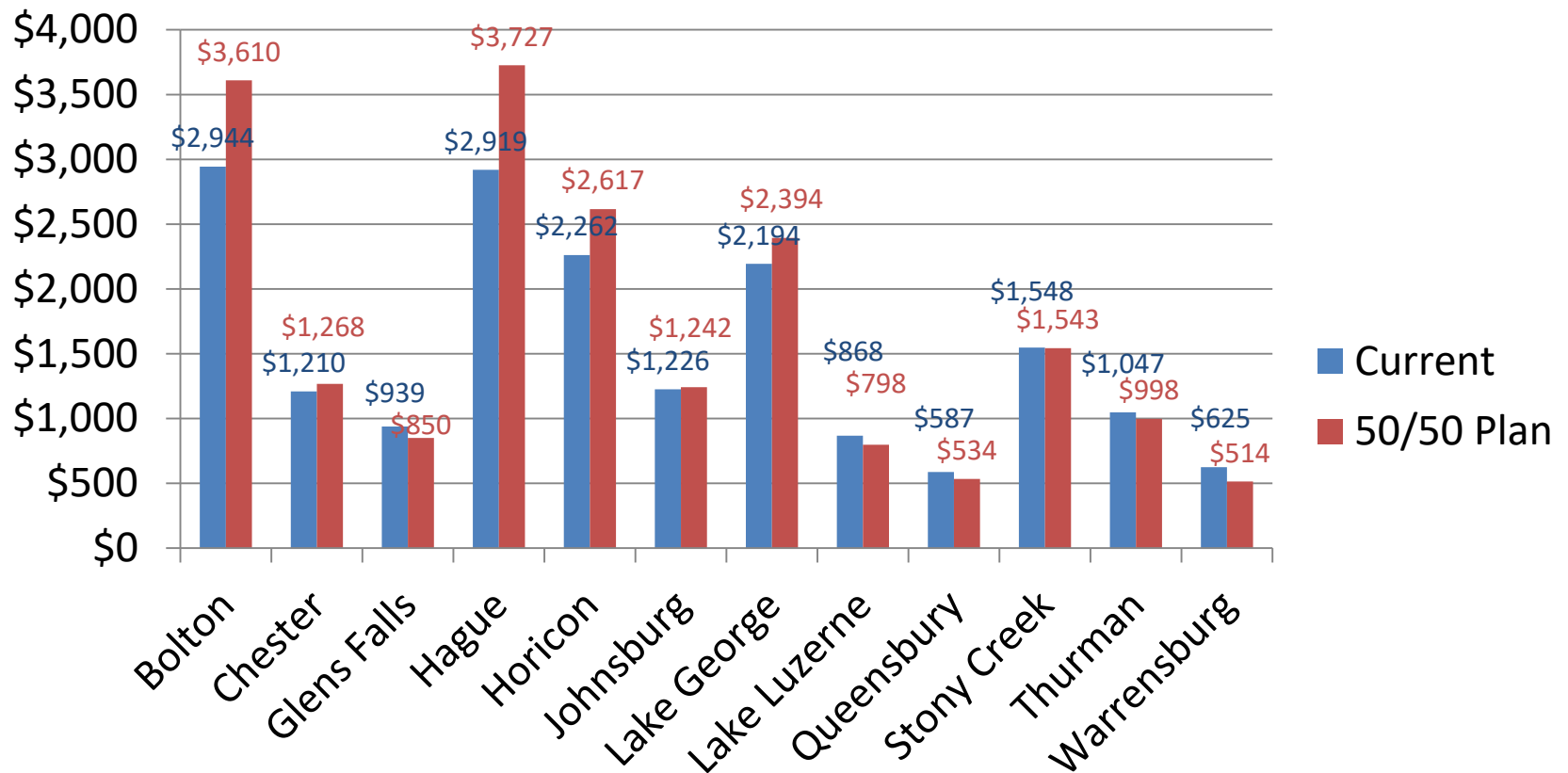
What About the Municipal Property Tax Burden?

- The chart below displays the previous slide's total tax burden data (2018 Municipal Levy + 2018 County Levy) on a per capita basis.



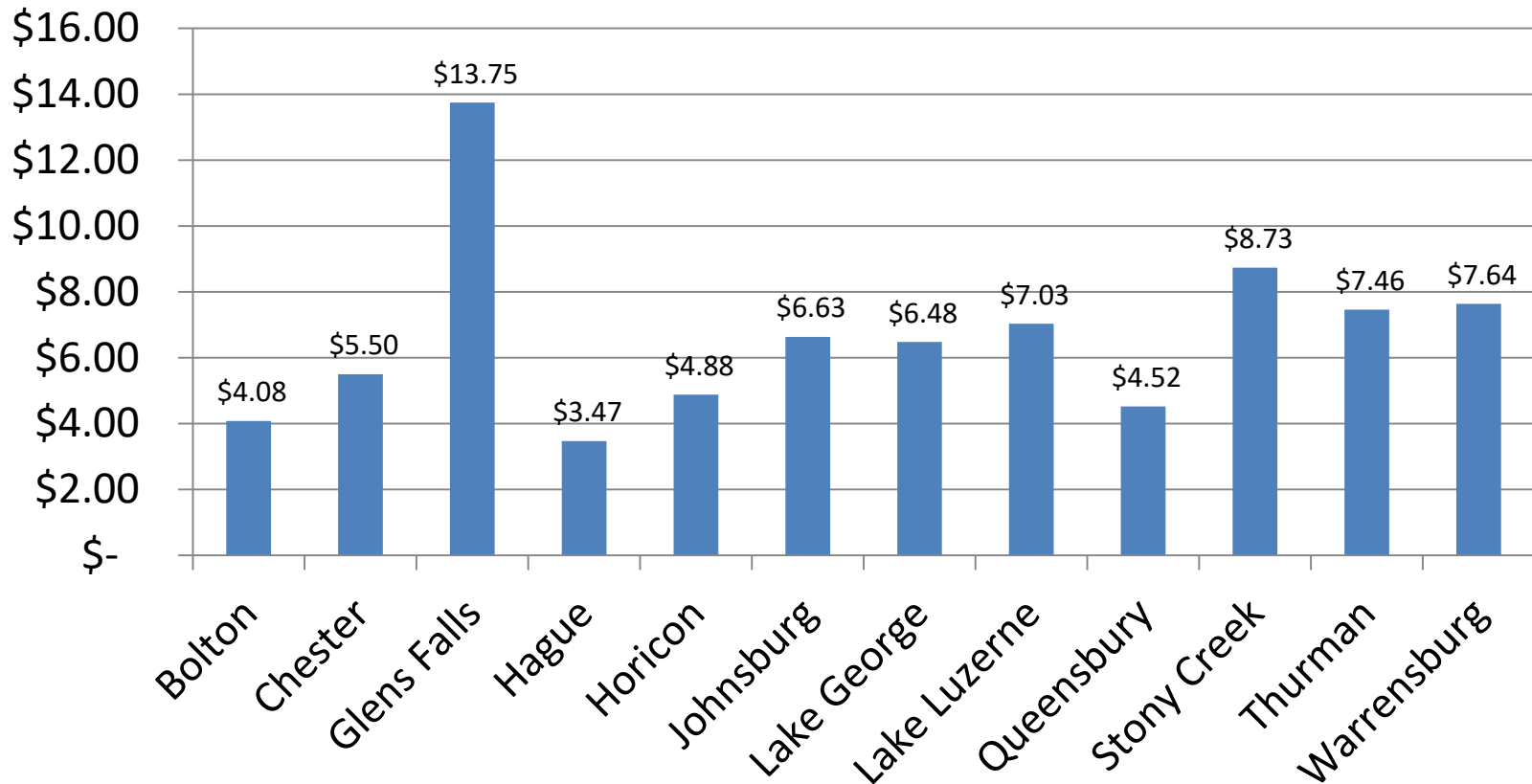
What About the Municipal Property Tax Burden?

- The chart below displays how the per capita total tax burden would change assuming the sales tax revenue losses (and gains) associated with the 50/50 plan.



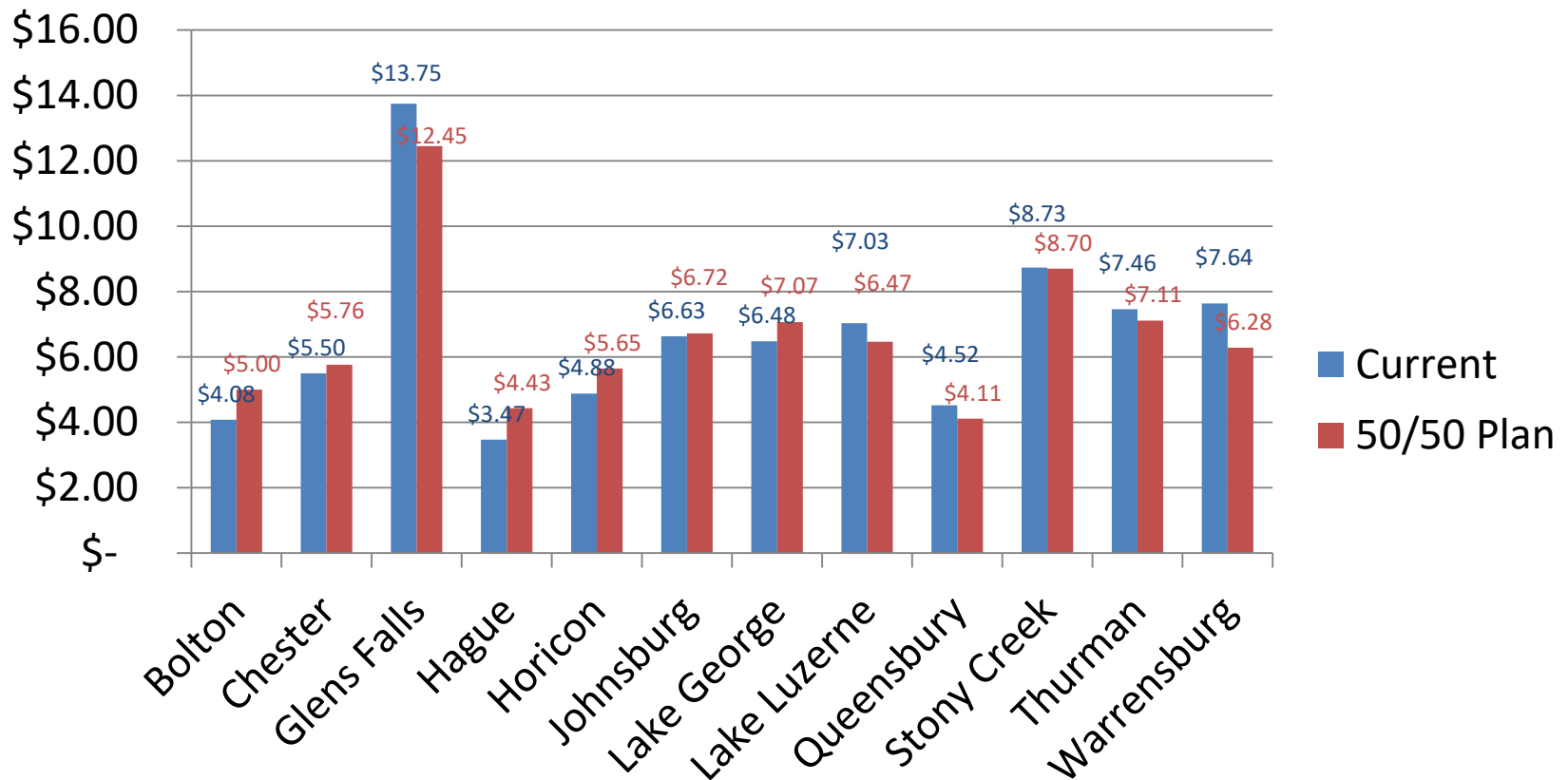
What About the Municipal Property Tax Burden?

- The chart below displays the total tax burden data as an approximated tax rate. The formula is **2018 Municipal Levy + 2018 County Levy** divided by **2018 Equalized Full Valuation**.



What About the Municipal Property Tax Burden?

- The chart below displays how the tax rate approximations in the previous slide would change assuming the sales tax revenue losses (and gains) associated with the 50/50 plan.

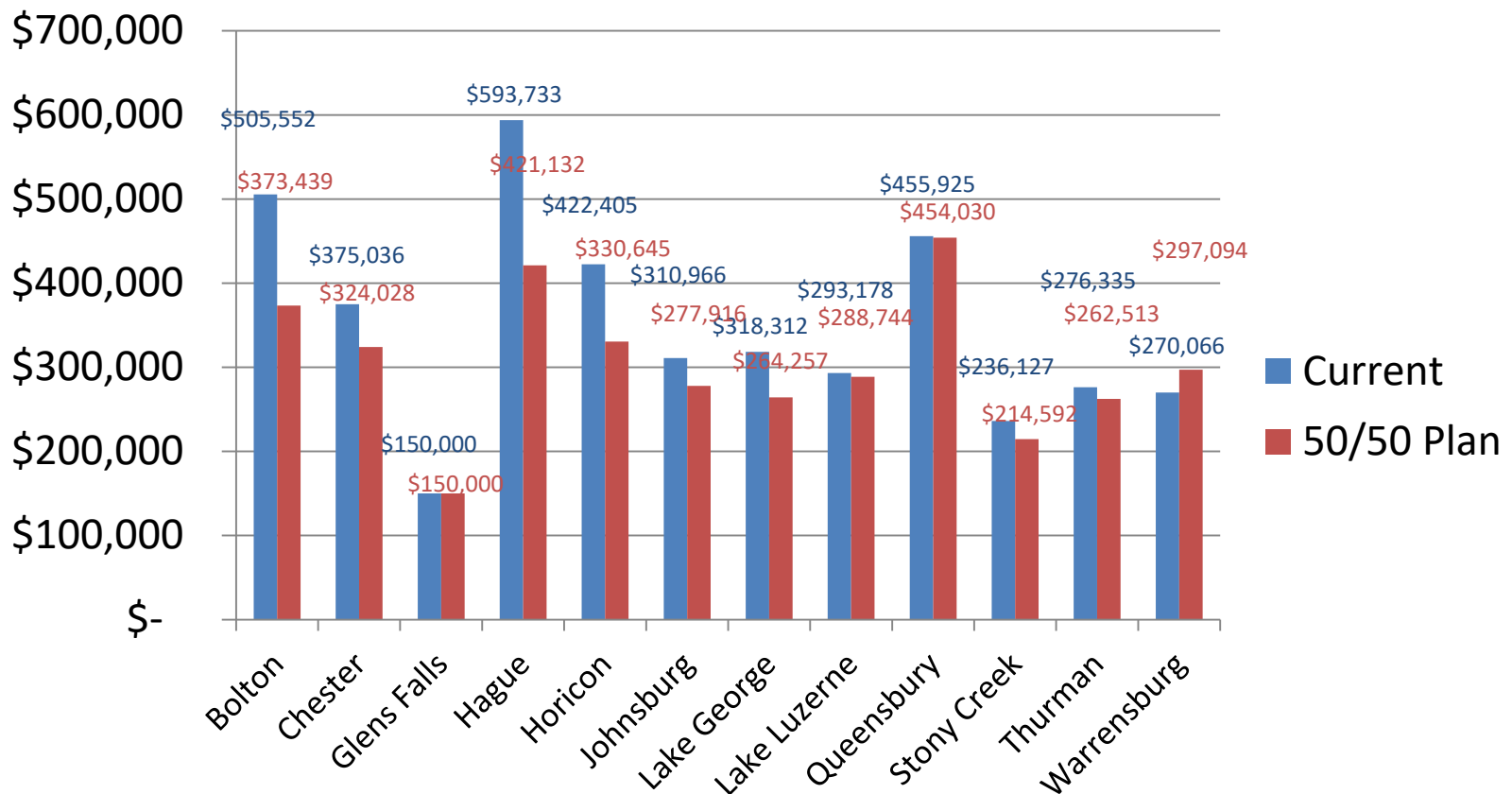


What do these Rate Approximations Mean to Property Owners?

- Some supervisors I have talked to have offered this comparison tool...
- Let's take property valued at \$150,000 in Glens Falls as a benchmark. The property owner would pay \$2,062 in combined county and city taxes (under the current rate approximation of \$13.75 per thousand).
- If the 50/50 Proposal was enacted and the rate approximation dropped to \$12.45 per thousand, the property owner would now pay \$1,867 in combined county and city taxes.
- The question is, what valuation would a property in another municipality have if the owner of that property was paying the same as this Glens Falls property owner: \$2,062 under the current rate, and the same \$1,867 under the adjusted 50/50 Plan rate?

What do these Rate Approximations Mean to Property Owners?

- The chart below answers that question for both the current rate approximations and those under the 50/50 plan.



What do these Rate Approximations Mean to Property Owners?

- The question then becomes, which is more “fair”?
- If you picked up that \$150,000 Glens Falls property and put it down in Bolton, what would that property be worth?
- The current rate approximations suggest that the \$150k Glens Falls owner pays the same dollar amount as the \$505,552 Bolton owner. Under the 50/50, the Glens Falls owner pays the same as the \$373,439 Bolton Owner. Which scenario is more apples to apples?
- This is a complex analysis, and I have explored this question with multiple supervisors and interested citizens. All have agreed that it’s difficult to pin down precisely.
- We do have the ability to run class codes for residential parcels and come up with the average assessed value and average full market value of a residential parcel in each town. This is not an exact science, but it’s a start.

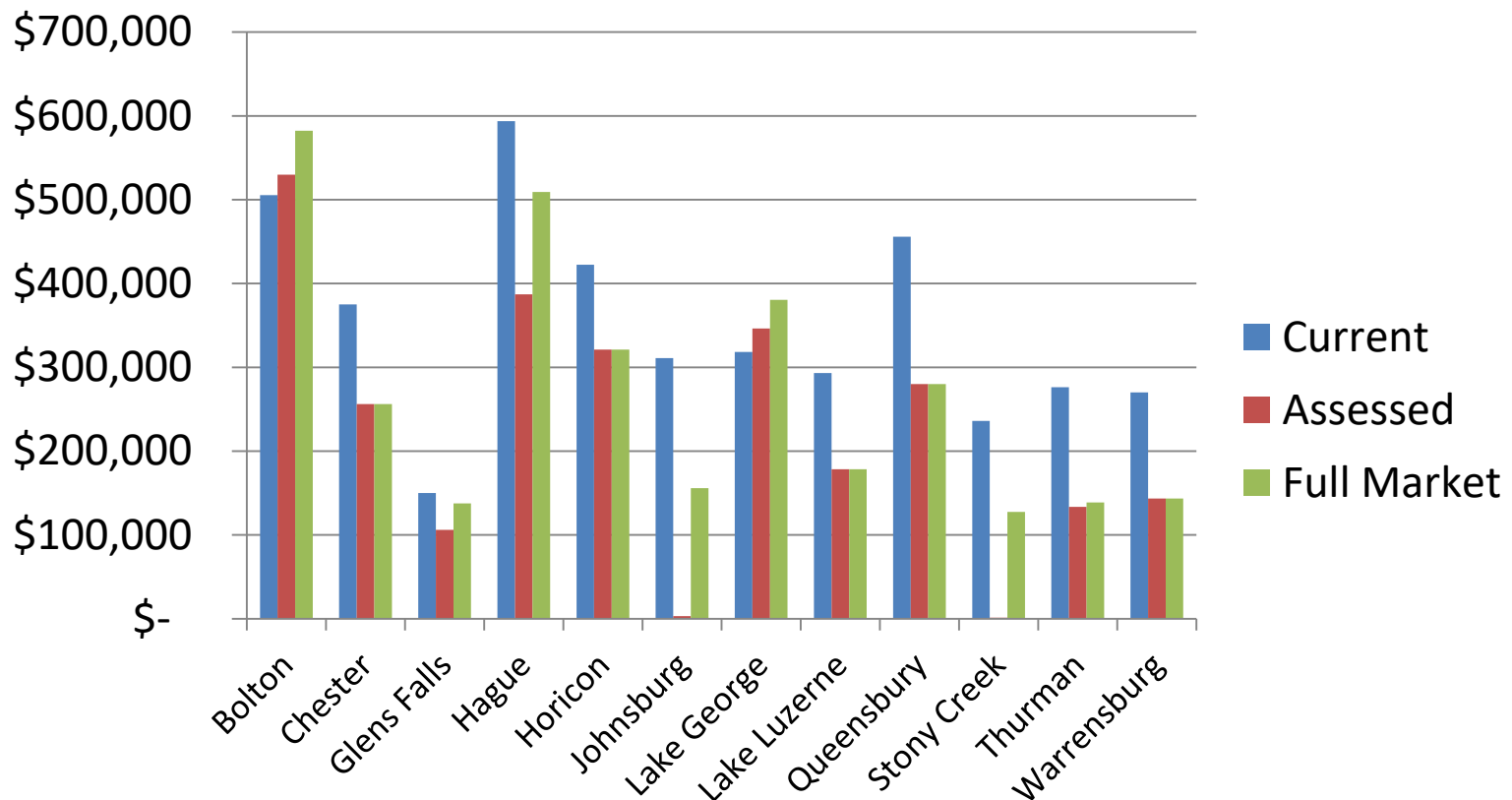
What do these Rate Approximations Mean to Property Owners?

- Below is this analysis for 2018:

	Residential Parcels with Homes	Assessed Value	Full Market Value	Avg Assessed Value	Avg Full Market Value
Bolton	2,279	\$ 1,207,730,875	\$ 1,327,176,742	\$ 529,939	\$ 582,350
Chester	2,350	\$ 602,096,650	\$ 602,096,650	\$ 256,211	\$ 256,211
Glens Falls	4,346	\$ 460,843,410	\$ 598,497,996	\$ 106,039	\$ 137,712
Hague	966	\$ 373,883,966	\$ 491,952,593	\$ 387,043	\$ 509,268
Horicon	1,671	\$ 536,733,300	\$ 536,733,300	\$ 321,205	\$ 321,205
Johnsburg	1,706	\$ 5,316,682	\$ 265,834,100	\$ 3,116	\$ 155,823
Lake George	2,050	\$ 710,082,813	\$ 780,311,586	\$ 346,382	\$ 380,640
Lake Luzerne	1,847	\$ 329,639,400	\$ 329,638,400	\$ 178,473	\$ 178,472
Queensbury	10,226	\$ 2,863,689,850	\$ 2,863,689,850	\$ 280,040	\$ 280,040
Stony Creek	479	\$ 611,170	\$ 61,117,000	\$ 1,276	\$ 127,593
Thurman	642	\$ 85,727,841	\$ 89,050,267	\$ 133,532	\$ 138,708
Warrensburg	1,777	\$ 255,042,196	\$ 255,042,196	\$ 143,524	\$ 143,524

What do these Rate Approximations Mean to Property Owners?

- The chart below includes data from the previous slide.



What do these Rate Approximations Mean to Property Owners?

- Even if we agreed on an exact science to compare property across municipal boundaries, there would still be disagreement on what is “fair.”
- Some have pointed to the capital gain realized by the lake town resident whose property appreciates more quickly than a similar property does in a lower value town. The lake town resident has a more valuable property to sell.
- Others, especially lake town residents who have owned their properties for many years, will argue that there is another side to that coin: the rapid appreciation in valuation results in a more rapid increase in their tax bill. Incomes don’t necessarily keep up, and continued ownership becomes increasingly unaffordable.

Additional Points to Consider...

Other Proposed Formulas

- What if the 50/50 Proposal was amended to also determine expense liability for county programs according to a 50/50 formula? The table below assumes Glens Falls keeps its special distribution.

	CURRENT FORMULA			AMENDED 50/50 FORMULA			Financial Impact
Municipality	2017 Property Tax Levied to Support County Programs	2017 Sales Tax Distributed	2017 Net Cost of County Government	Property Tax Levied to Support County	Sales Tax Distributed	Net Cost of County Government	GAIN
							LOSS
Bolton	\$6,523,033.08	\$4,158,277.34	\$2,364,755.74	\$4,012,410.34	\$2,610,993.78	\$1,401,416.56	\$963,339.18
Chester	\$2,883,916.38	\$1,838,427.65	\$1,045,488.73	\$2,525,040.18	\$1,643,118.15	\$881,922.03	\$163,566.70
Glens Falls	\$3,915,650.01	\$3,610,525.66	\$305,124.35	\$6,703,370.52	\$4,914,210.44	\$1,789,160.07	-\$1,484,035.72
Hague	\$2,279,419.70	\$1,453,075.31	\$826,344.39	\$1,365,365.38	\$888,483.45	\$476,881.93	\$349,462.46
Horicon	\$2,513,900.76	\$1,602,551.60	\$911,349.16	\$1,705,356.01	\$1,109,725.50	\$595,630.51	\$315,718.65
Johnsburg	\$1,736,681.59	\$1,107,092.77	\$629,588.82	\$1,641,509.60	\$1,068,178.65	\$573,330.96	\$56,257.86
Lake George In	\$940,745.01	\$599,702.48	\$341,042.53	\$762,853.07	\$496,411.03	\$266,442.04	\$74,600.49
Out	\$3,669,081.96	\$2,338,951.93	\$1,330,130.03	\$2,676,794.60	\$1,741,869.25	\$934,925.36	\$395,204.67
Lake Luzerne	\$1,503,464.76	\$958,422.84	\$545,041.92	\$1,832,231.76	\$1,192,287.28	\$639,944.47	-\$94,902.55
Queensbury	\$14,019,196.70	\$8,936,901.93	\$5,082,294.77	\$16,016,772.86	\$10,422,586.49	\$5,594,186.37	-\$511,891.60
Stony Creek	\$502,691.66	\$320,453.75	\$182,237.91	\$498,953.54	\$324,683.72	\$174,269.83	\$7,968.08
Thurman	\$629,210.71	\$401,106.86	\$228,103.85	\$708,130.52	\$460,801.47	\$247,329.05	-\$19,225.20
Warrensburg	\$1,306,893.26	\$833,113.07	\$473,780.19	\$1,975,097.20	\$1,285,253.97	\$689,843.23	-\$216,063.04
	\$42,423,885.58	\$28,158,603.19	\$14,265,282.39	\$42,423,885.58	\$28,158,603.17	\$14,265,282.41	

Other Proposed Formulas

- What if sales tax distribution and expense liability for county programs were both determined 100% on population? The table below assumes Glens Falls keeps its special distribution.

	CURRENT FORMULA			100% POPULATION FORMULA			Financial Impact
Municipality	2017 Property Tax Levied to Support County Programs	2017 Sales Tax Distributed	2017 Net Cost of County Government	Property Tax Levied to Support County	Sales Tax Distributed	Net Cost of County Government	GAIN
							LOSS
Bolton	\$6,523,033.08	\$4,158,277.34	\$2,364,755.74	\$1,501,787.60	\$977,257.49	\$524,530.11	\$1,840,225.63
Chester	\$2,883,916.38	\$1,838,427.65	\$1,045,488.73	\$2,166,163.97	\$1,409,586.79	\$756,577.18	\$288,911.55
Glens Falls	\$3,915,650.01	\$3,610,525.66	\$305,124.35	\$9,491,091.03	\$6,728,262.35	\$2,762,828.67	-\$2,457,704.32
Hague	\$2,279,419.70	\$1,453,075.31	\$826,344.39	\$451,311.06	\$293,681.42	\$157,629.64	\$668,714.75
Horicon	\$2,513,900.76	\$1,602,551.60	\$911,349.16	\$896,811.25	\$583,581.54	\$313,229.72	\$598,119.44
Johnsburg	\$1,736,681.59	\$1,107,092.77	\$629,588.82	\$1,546,337.62	\$1,006,247.50	\$540,090.12	\$89,498.70
Lake George In	\$940,745.01	\$599,702.48	\$341,042.53	\$584,961.12	\$380,651.46	\$204,309.67	\$136,732.86
Out	\$3,669,081.96	\$2,338,951.93	\$1,330,130.03	\$1,684,507.24	\$1,096,158.55	\$588,348.69	\$741,781.34
Lake Luzerne	\$1,503,464.76	\$958,422.84	\$545,041.92	\$2,160,998.75	\$1,406,225.63	\$754,773.12	-\$209,731.20
Queensbury	\$14,019,196.70	\$8,936,901.93	\$5,082,294.77	\$18,014,349.03	\$11,722,468.27	\$6,291,880.76	-\$1,209,585.99
Stony Creek	\$502,691.66	\$320,453.75	\$182,237.91	\$495,215.43	\$322,251.29	\$172,964.14	\$9,273.77
Thurman	\$629,210.71	\$401,106.86	\$228,103.85	\$787,050.34	\$512,156.87	\$274,893.47	-\$46,789.62
Warrensburg	\$1,306,893.26	\$833,113.07	\$473,780.19	\$2,643,301.13	\$1,720,074.02	\$923,227.12	-\$449,446.93
	\$42,423,885.58	\$28,158,603.19	\$14,265,282.39	\$42,423,885.58	\$28,158,603.17	\$14,265,282.41	

Other Proposed Formulas

- What if each municipality receives \$200,000 of sales tax revenue, then the remainder is distributed according to valuation? The table below assumes Glens Falls does not participate and keeps its special distribution.

Municipality	2017 Equalized Full Valuation	% EFV	Initial Distribution	Remainder of Distribution	Total Revenue Under This Formula	2017 Actual Revenue	Financial Impact
							GAIN
							LOSS
Bolton	\$1,669,840,213	16.94%	\$ 200,000	\$3,751,733.68	\$ 3,951,733.68	\$ 4,158,277.34	-\$206,543.66
Chester	\$738,257,735	7.49%	\$ 200,000	\$1,658,689.49	\$ 1,858,689.49	\$ 1,838,427.65	\$20,261.84
Glens Falls	n/a	n/a	\$ -	\$ -	\$ 3,610,525.66	\$ 3,610,525.66	\$0.00
Hague	\$583,511,721	5.92%	\$ 200,000	\$1,311,012.01	\$ 1,511,012.01	\$ 1,453,075.31	\$57,936.70
Horicon	\$643,536,942	6.53%	\$ 200,000	\$1,445,874.40	\$ 1,645,874.40	\$ 1,602,551.60	\$43,322.80
Johnsburg	\$444,575,450	4.51%	\$ 200,000	\$998,855.26	\$ 1,198,855.26	\$ 1,107,092.77	\$91,762.49
Lake George In	\$240,822,637	2.44%	\$ 200,000	\$541,071.17	\$ 741,071.17	\$ 599,702.48	\$141,368.69
Out	\$939,253,365	9.53%	\$ 200,000	\$2,110,278.85	\$ 2,310,278.85	\$ 2,338,951.93	-\$28,673.08
Lake Luzerne	\$384,874,037	3.90%	\$ 200,000	\$864,720.39	\$ 1,064,720.39	\$ 958,422.84	\$106,297.55
Queensbury	\$3,588,793,382	36.41%	\$ 200,000	\$8,063,164.90	\$ 8,263,164.90	\$ 8,936,901.93	-\$673,737.03
Stony Creek	\$128,684,673	1.31%	\$ 200,000	\$289,123.84	\$ 489,123.84	\$ 320,453.75	\$168,670.09
Thurman	\$161,072,555	1.63%	\$ 200,000	\$361,891.71	\$ 561,891.71	\$ 401,106.86	\$160,784.85
Warrensburg	\$334,553,374	3.39%	\$ 200,000	\$751,661.84	\$ 951,661.84	\$ 833,113.07	\$118,548.77
	\$9,857,776,084		\$ 2,400,000	\$22,148,077.53	\$28,158,603.19	\$ 28,158,603.19	

Other Proposed Formulas

- What if each municipality receives \$200,000 of sales tax revenue, then the remainder is distributed according to valuation? The table below assumes Glens Falls participates and keeps its special distribution.

Municipality	2017 Equalized Full Valuation	% EFV	Initial Distribution	Remainder of Distribution	Total Revenue Under This Formula	2017 Actual Revenue	Financial Impact
							GAIN
							LOSS
Bolton	\$1,669,840,213	15.38%	\$ 200,000	\$3,844,957.96	\$ 4,044,957.96	\$ 4,158,277.34	-\$113,319.38
Chester	\$738,257,735	6.80%	\$ 200,000	\$1,699,905.14	\$ 1,899,905.14	\$ 1,838,427.65	\$61,477.49
Glens Falls	\$1,002,372,666	9.23%	\$ 200,000	\$2,308,053.63	\$ 3,060,183.10	\$ 3,610,525.66	-\$550,342.56
Hague	\$583,511,721	5.37%	\$ 200,000	\$1,343,588.46	\$ 1,543,588.46	\$ 1,453,075.31	\$90,513.15
Horicon	\$643,536,942	5.93%	\$ 200,000	\$1,481,801.95	\$ 1,681,801.95	\$ 1,602,551.60	\$79,250.35
Johnsburg	\$444,575,450	4.09%	\$ 200,000	\$1,023,675.14	\$ 1,223,675.14	\$ 1,107,092.77	\$116,582.37
Lake George In	\$240,822,637	2.22%	\$ 200,000	\$554,515.88	\$ 754,515.88	\$ 599,702.48	\$154,813.40
Out	\$939,253,365	8.65%	\$ 200,000	\$2,162,715.74	\$ 2,362,715.74	\$ 2,338,951.93	\$23,763.81
Lake Luzerne	\$384,874,037	3.54%	\$ 200,000	\$886,207.24	\$ 1,086,207.24	\$ 958,422.84	\$127,784.40
Queensbury	\$3,588,793,382	33.05%	\$ 200,000	\$8,263,521.01	\$ 8,463,521.01	\$ 8,936,901.93	-\$473,380.92
Stony Creek	\$128,684,673	1.18%	\$ 200,000	\$296,308.09	\$ 496,308.09	\$ 320,453.75	\$175,854.34
Thurman	\$161,072,555	1.48%	\$ 200,000	\$370,884.11	\$ 570,884.11	\$ 401,106.86	\$169,777.25
Warrensburg	\$334,553,374	3.08%	\$ 200,000	\$770,339.37	\$ 970,339.37	\$ 833,113.07	\$137,226.30
	\$10,860,148,750		\$ 2,600,000	\$25,006,473.72	\$28,158,603.19	\$ 28,158,603.19	

Other Proposed Formulas

- An idea has also been floated to keep the current sales tax distribution formula the same, but set a cap on each municipality's revenue (i.e. the 2018 actual revenue, 2018 actual revenue indexed for inflation, etc).
- Once a municipality reaches its cap, there would be no more revenue distributed to that municipality. The excess would instead go into a segregated revenue pool.
- At the end of the year, that segregated revenue pool would be distributed to the “low valuation towns” according to a formula yet to be determined.
- It is difficult to quantify the effects of this proposal at the moment due to several unknowns (i.e. cap formula, determination of “low value towns,” and distribution formula for segregated revenue pool).

End of Presentation.